

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, SEPTEMBER 24, 1931

DO YOU REMEMBER

- - - away back when the Chicago skyline
looked like the picture below



Chicago, September 1911

- - - and

THOMAS T. NORTH

OPENED HIS ADJUSTMENT OFFICE?

TODAY

- - - the Chicago skyline looks like this



Chicago, September 1931

- - - and next Sunday, September 27 will witness the completion of 20 years of successful administration by Thomas T. North in the adjusting field.

TWENTIETH ANNIVERSARY YEAR....1911-1931

The twentieth anniversary year finds the Thomas T. North Adjustment Company successful because:

1. A close personal service has been given every client.
2. It has only served where it could render an adjustment service of a higher type than is ordinarily obtainable.
3. Each adjuster is a specialist in his own line of endeavor.
4. Mr. North possesses one of the finest adjusting equipments in the country.
5. Mr. North concentrates upon giving excellent service to the business in hand rather than endeavoring to procure volume.

The Thomas T. North Adjustment Company is fully equipped to handle the following adjustments:

AUTOMOBILE, AVIATION, CONVERSION,
LIABILITY, PROPERTY DAMAGE, BURGLARY
EVERY FORM OF INLAND MARINE AND ALL RISKS

The Thomas T. North Adjustment Company's facilities are available not only in the states where we maintain offices, but our service extends throughout all the Middle Western territory.

THOMAS T. NORTH ADJUSTMENT COMPANY

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Indianapolis
Lincoln 4838
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IOWA
American Bank Bldg.
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Keen agents make one policy write another. Backed by a seasoned, well-rounded Fleet they more readily convince clients that with additional coverage goes peace of mind. Fireman's Fund, Home Fire & Marine and Occidental Insurance companies, the Fireman's Fund and Occidental Indemnity companies. . .

SAN FRANCISCO

NEW YORK CHICAGO BOSTON ATLANTA

The National Underwriter

Thirty-Fifth Year No. 39

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, SEPTEMBER 24, 1931

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Organizations Can Improve Service

Bennett Sees Many Problems Awaiting Solution by Insurance Trade Associations

SPEAKS AT LOS ANGELES

Secretary of National Agents' Group Makes Fine Contribution in Address at Big Convention

Never in the world's history has the importance of organized business and organized industry been so apparent as now, Walter H. Bennett, secretary National Association of Insurance Agents, declared in his talk on "Insurance Organizations and Their Public Service" at the Los Angeles annual convention of that association.

Mr. Bennett drew a picture of the problems facing general business, such as socialism and communism, the prospect that thousands of persons will go hungry and cold this winter despite a surplus of grain and cotton. While the same factors are not present in the insurance business, he said, there "remains the question whether or not insurance as administered today in this country properly fits the business needs; whether it is being conducted in a fair and equitable manner between the companies which furnish the indemnity, the producers who sell insurance and provide the premiums, and the public who must have its protection."

Job for Organizations

He said the answer properly belongs with insurance organizations, and the "right answer will constitute a distinct public service."

"One evidence of the public service of an insurance organization lies in a record of consistency," he said. "Where this is absent, its influence is retarded and its service weakened. Where a company organization of stock companies gives its facilities and the support of its members to non-stock or non-organization carriers, it is by that practice following an inconsistent policy and weakening public confidence in its own household."

"By the same token, the National Association of Insurance Agents, if engaged in an inconsistent practice, is failing to that extent in its potential usefulness and service. To illustrate: Where the practices of an insurance company have been held by the National association to be in intentional and continuous violation of its principles, it must be obvious that such practices have the approval of the management of that company."

"Today many companies operate in what is known as a fleet or group arrangement under common management and control. Clearly, the convictions of management as to company practices in

(CONTINUED ON LAST PAGE)

Rousing Welcome to Agents

Big Parade of Locals from Entire Nation Hits Los Angeles This Week for Annual Convention of National Association of Insurance Agents

By C. M. CARTWRIGHT

LOS ANGELES, Sept. 23.—Considerable sentiment is developing in the early stages of the convention in favor of Charles L. Gandy of Birmingham for chairman of the executive committee. W. B. Calhoun, present chairman, will be elevated to the presidency. Mr. Gandy was nominated for the place a year ago. He is now on the executive committee, having served for two years. He is a former president of the Alabama association and for many years was the efficient assistant secretary.

LOS ANGELES, Sept. 23.—The big parade of the National Association of Insurance Agents is in full blast with the large general convention starting today. Los Angeles, itself a unique, tremendously interesting and conspicuously picturesque city, is equal to the occasion. In fact, Los Angeles is a big parade in these modern days.

The procession started Sunday and Monday. The official family reported at Agua Caliente, Mexico, Friday and had sessions at this interesting and lively city. The special cars that brought most of the crowd on west from Chicago were routed to Agua Caliente, arriving there Sunday morning. The entire company, headed by President Percy H. Goodwin, came up on the sleepers Sunday night. The executive committee resumed meeting Monday.

Given Rousing Welcome

The delegates arrived, greeted by the Los Angeles agents, who were ever present and extended rapturous welcome. Monday, therefore, was a day of greeting and home-coming, so to speak. The Los Angeles Insurance Exchange gave the official family and past-presidents a dinner Monday night.

The Pacific Indemnity and Pacific American Fire tendered a luncheon to National association leaders Monday. Tuesday the real strenuous work began. The California Association of Insurance Agents held its annual meeting that day. The National Council held its meeting all day Tuesday.

The get-together dinner was held Tuesday evening with splendid entertainment. This morning, amid color and an inspiring environment, the great convention opened with President Goodwin in the chair. He gave the report of the administration, a recital of accomplishments last year well worth while.

Bennett Is Keynote

Secretary W. H. Bennett gave the keynote address and amplified the convention theme, which this year is "Insurance Organizations and Their Public Service." It met with so favorable a response that it was made a feature this year. Two of the most eminent speakers of the convention were on the program this morning, President Wilfred

Kurth of the Home and General Manager James A. Beha of the National Bureau of Casualty & Surety Underwriters.

James L. Case of Norwich, Conn., led the discussion on "Cancellation of Policies for Nonpayment of Premiums." The group luncheon conferences on "Agency Management" and "Developing Business" occupied the entire afternoon, being led by J. A. Giberson of Alton, Ill.; C. L. Gandy of Birmingham, Ala., and Albert Dodge of Buffalo.

The past-presidents' annual dinner is to be held Thursday evening. The presidents' grand ball closed the day's program. The dramatic episode undoubtedly will be the readmission of the National Union into the fellowship with President John M. Thomas here to receive the hand-clasp.

Commissioner Livingston of Michigan, fresh from his newly acquired honor of being elected president of the National Convention of Insurance Commissioners, is here to give his address tomorrow morning. A number of other commissioners came down from the Portland meeting. The Pacific Mutual Life gave them a luncheon Tuesday.

General Agents Attend

Officials of the American Association of Insurance General Agents are meeting here this week in connection with the annual meeting of the National Association of Insurance Agents. There are present President J. K. Shepherd of Little Rock; Secretary H. A. Steckler, New Orleans; Vice-Presidents A. M. Brown of San Francisco and Will J. Miller of Topeka; L. C. Quin of Atlanta, chairman executive committee; H. C. Stebbins, Denver, chairman conference committee, and A. J. Chapman, San Francisco, chairman membership committee.

The Los Angeles Insurance Exchange entertained the official family and leaders of the National association at dinner Monday evening. Eugene Battles,

(CONTINUED ON PAGE 20)

Special Local Agents Number Out This Week

The proceedings of the National Association of Insurance Agents, which is holding its annual convention in Los Angeles this week, will be reported in a special number which will be mailed gratis to all subscribers. The meeting, which is the most important fire and casualty agents' meeting of the year, will be covered in full by C. M. Cartwright. The issue will contain many interesting talks and side lights of the meeting.

Sees Insurance As Forging Ahead

President Goodwin of Local Agents Renders Absorbing Report at Los Angeles

CONFERENCE IS NOTED

Balance Appears to Be on Credit Side of Ledger in Year's Results; Makes Recommendations

Economic conditions have brought about a situation in insurance never equalled in history, many agencies and companies having failed and more being on the verge of doing so; insurance being taxed to the uttermost to restore the equilibrium; yet it has stood the test and emerged stronger, President Percy H. Goodwin of the National Association of Insurance Agents stated in his annual address and report of the administration delivered Wednesday at the 36th annual meeting in Los Angeles.

Insurance's place in the sun has been established on a firmer foundation than ever before, he said. The competent agent, the seller of sound indemnity, the apostle of correct underwriting, the exponent of proper business principles is coming into his own.

Credit Side of Ledger

He divides the year's results in two parts, on the credit side he says being the new spirit of conference between companies and agents. He especially notes inauguration by fire executives of the Insurance Executives Association and also the new conference committees of fire, casualty and surety company officials, both intended to establish closer contact with agents.

"We find our own association strengthened in influence and prestige," he says. "New units, particularly in the west, have joined our ranks. A new ideal of the aims and purposes of the National association has imbued many a former disbeliever. A number of banking institutions have closed their former bank agencies and expressed their belief in the American agency system as the true retailer of insurance."

"Many a local board has gained or regained municipal business through operation of the 'Oakland plan' of local board placements. Many of our companies have refused to do business with such hybrid organizations as the Church Properties Fire Insurance Corporation, and there is a distinct tendency on the part of companies to discontinue ceding and granting reinsurance to companies of classes other than their own."

Other Evidences of Progress

"There is increasing evidence that the assessment type of company has passed its heyday, and many a big line lost awhile to stock companies and agents by reason of the appeal of cheapness has been restored. Industrial leaders

(CONTINUED ON LAST PAGE)

Company Officials Scarce at Fall Meeting of E. U. A.

MILLIGAN PRESENTS VIEWS

Much Interest in His Comment on New Insurance Executives Association and Its Effects

NEW YORK, Sept. 23.—Lack of any questions of first importance on the agenda doubtless accounted in part for the limited attendance of company executives at the first fall meeting of the Eastern Underwriters Association at Manchester, Vt.

While reports were made as to the progress attained by the various committees and work for the remaining months of the year outlined, interest centered rather in the address of Edward Milligan, president of the E. U. A., defining the purposes of the new Insurance Executives Association, and his assurance that it would in no way interfere with the operations of established bodies.

Would Help Observance

Instead, he said, it would prove helpful in compelling stringent observance of the rules of the latter. The E. U. A. agreed to cooperate with the Western Underwriters Association in preparing a uniform type of agent's contract, and also went on record in accord with the latter organization in favoring every possible economy in the conduct of the business.

The Southern Fire, of Durham, N. C., was elected to membership in the association. The next meeting will be held here Oct. 22, preceded by the gathering of the executive committee in the forenoon.

Officials Take Consolation from Lower Fire Losses

NEW YORK, Sept. 23.—With premiums off about 12 percent and little prospect of improvement in the remainder of the year; the stock market continuing its downward course, and the bond market following though to far less degree, fire company officials are taking what comfort they may from reduced fire losses in the first eight months. The losses have been lower by some \$6,000,000 than in the same period of 1930.

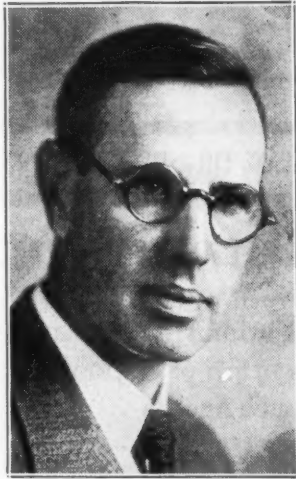
Adjusting bureaus in certain sections of the country have little to do these days, and however irksome that fact may be to the staffs of the different branch offices, it is highly gratifying to company executives, who naturally welcome inactivity on the part of adjusters.

Contrary to general experience, the most active section of the country from a fire loss standpoint just now appears to be the northern division of the Pacific Coast, though just why this should be no one knows. Until recent years the west coast was confidently expected to return a steady and substantial profit to fire offices, but the condition seems to have been reversed, perhaps due to growing competition in the territory, steady scaling down of rates under pressure and a great increase in number and extent of fires.

No Change in Rain Rates

NEW YORK, Sept. 23.—No change in rates or forms will be made by the Rain Insurance Association during the next fiscal year it was decided at its last gathering. While premiums continue to fall off, the losses fortunately have been low and thus far promise a modest profit. While the line is and probably always will be a minor one, it affords added facilities for local agents and on that account largely is favorably regarded by company officials.

Elected President



PERCY S. W. RAMSDEN

Mr. Ramsden was elected president of the California Association of Insurance Agents at its annual convention this week in Los Angeles.

Mr. Ramsden was for many years secretary of the association. He is prominent in the Oakland Insurance Exchange. He is a former president of the Utah association.

B. A. Dugal Is New Head of Canadian Superintendents

B. A. Dugal of Quebec is the new president of the Association of Superintendents of Insurance of the Provinces of Canada. He succeeds R. Leighton Foster, Ontario superintendent. The vice-president is Charles Heath, Manitoba; secretary-treasurer is Mr. Foster.

Vancouver, B. C., was recommended as the tentative meeting place of next year's conference.

Fred Keller Dies

Fred H. Keller, 43 years old, vice-president Charles L. Crane Agency Company, St. Louis, died last week.

Hail Season Is Closed with Premiums Greatly Reduced

ONLY 50 PERCENT OF NORMAL

Companies Experience One of Worst Years in History of Business in U. S. and Canada

With the hail season for growing crops just closed, underwriters are experiencing one of the worst seasons in the history of the business due to a number of causes. Failure of grain crops in the northwest United States and Canada has reduced volume of hail insurance considerably, bringing premiums down to about 40 percent of what they were last year in Canada and about 50 percent in the United States.

Losses have been comparatively light, which compensates somewhat. The demoralized prices for grains, with wheat prices at their lowest point in many years, have made it unprofitable for farmers to harvest their wheat, and in many sections growers have refused to touch their crops. The result is that hail insurance companies in many instances are holding paper in payment of premiums.

Abandon Canadian Forms

In northwest Canada farmers have been forced to abandon their farms and move to sections where employment of some other nature might be found. This condition naturally will eliminate a number of growers in that section and tend to reduce hail insurance volume for several years to come.

In parts of northwest United States an agricultural debt holiday was declared some time ago in an effort to tide the growers over until higher prices prevailed. The situation has now become critical, as there has been little if any improvement within the last two months.

For example, communities have provided free storage facilities for farmers who were hard pressed and who have no storage space on their farms. Airplane hangars, garages and barns have been used. Millions of bushels of wheat have gone into storage on the ground.

The Eagle Fire of Newark has declared a quarterly dividend of 25 cents a share.

Valuation Question Looms Up with Commissioners

WILL STUDY THE PROBLEM

Sub-Committee Will Investigate the Various Aspects and Will Report at the New York Meeting

At the meeting of the valuation committee of the National Convention of Insurance Commissioners of which Superintendent Van Schaick of New York is chairman, held in connection with the annual convention at Portland, it was voted to appoint a sub-committee to consider the question of valuation of securities for the Dec. 31 statements. It will study the issues involved and a report will be made at the December meeting of the commissioners. In the meantime insurance companies will be on the anxious seat as to what figures will be used.

Divergence of Opinion

There is much divergence of opinion as to what course should be pursued. A strict valuation would put some companies on thin ice. It is argued that companies buy securities for the most part for investment and not for speculation. This is particularly true with life insurance. If securities were placed on the market at a forced sale, that would be one thing. If they are bought to be held, that is another. Values will come back at least in part.

Methods Favored

Some commissioners favor a five year average or to value on the amortization plan. At any rate, considerable leniency will have to be used or some companies can not make the grade. If a company can work out successfully if given time most commissioners are willing to lend support. This is a trying year and state officials are inclined to be tolerant.

Head of National Union in Attendance at Los Angeles

LOS ANGELES, Sept. 23.—President John M. Thomas of the National Union Fire of Pittsburgh arrived in Los Angeles Monday to attend the meeting of the National Association of Insurance Agents. The National Union a few years ago was placed on the list of companies that were unfair to the National association and the principles it espouses. This was due to the fact that it appointed a multitude of agents in Minneapolis after the local board had made repeated protests against the practice.

It was charged with appointing Tom, Dick and Harry, paying full commissions and thus creating unfair competition. President Thomas being on the ground indicates that the National Union intends to pursue a different course and it is expected that at this meeting it will be placed again on the list of co-operating companies.

Three New Members

Three companies have been elected members of the Inland Marine Underwriters Association, the Norwich Union, Union Marine & General and Virginia Fire & Marine. This raises the membership to 153 companies comprising 44 groups actively engaged in writing inland marine under the I. M. U. A. It is said the association now is functioning successfully and is a strong factor in the business.

Alberta Hail Loss Lower

Alberta hail losses during the past season totalled \$154,000 on a risk of \$1,596,000. The loss was less than for the last four years, but higher than the average for the past 15 years.

CONDENSED NEWS OF WEEK

Annual convention of National Association of Insurance Agents held in Los Angeles this week. **Page 3**

Chicago Insurance Agents Association launched. **Page 5**

Carriers close hail season with only about half of normal premiums; one of worst years in business. **Page 4**

Chicago brokers adopt resolution on cost control. **Page 36**

Vermont Association of Insurance Agents holds meeting at Barre this week. **Page 14**

Depository bond situation grows more serious. **Page 37**

Reduction of losses and general expenses occupy casualty executives. **Page 35**

Massachusetts legislature to meet Sept. 28 for special session to consider compulsory automobile liability problem. **Page 38**

The National Union Indemnity elects Nelson D. Sterling vice-president. Directors adopt reorganization plans, which include a reduction in capital. **Page 30**

Overinsurance stressed at meeting of Industrial Insurers Conference in Asheville, N. C.; Burr elected president. **Page 35**

Accident and Health Managers Club of Chicago starting comprehensive program of development; holds first fall meeting. **Page 36**

Plans for new Insurance Executives Association outlined by Bissell and Milligan; look for president with tact and firmness. **Page 5**

Western Underwriters Association meeting at Manchester, Vt., full of interest. **Page 5**

President Milligan of E. U. A. at first fall meeting discusses effects of Insurance Executives Association. **Page 4**

C. D. Livingston of Michigan was elected president of the National Convention of Insurance Commissioners at its Portland meeting. **Page 5**

Insurance commissioners committee to study valuation of securities. **Page 4**

President Goodwin of local agents casts up year's results at Los Angeles convention, finding balance on credit side of ledger. **Page 3**

Bennett sees room for improvement in public service given by insurance organizations. **Page 3**

Pacific coast A. & H. clubs hold one-day meeting in Los Angeles, elect Leland Stearns, Pacific Mutual, as president. **Page 35**

California agents hold annual meeting as curtain raiser to convention of National Association of Insurance Agents. **Page 6**

Great interest to insurance men in action of Transamerica Corporation in segregating its interests by selling control to banking firms. **Page 14**

Looking for Right Head for I. E. A.

Presidency of New Organization Requires Tact and Firmness in High Degree

BISSELL OUTLINES PLANS

Assurance Given by Milligan There Will Be No Encroachment on Prerogatives of Present Group

NEW YORK, Sept. 23.—Since announcement of formation Sept. 11 of the Insurance Executives Association with a membership of 120 companies, there has been lively speculation as to the probable selection of its president. It is considered obvious that success of the movement will depend largely on the ability, tact and firmness with which its affairs are administered.

The early impression was that the president was to have final decision in all cases submitted him, with full power to enforce his decrees, such presumably as Judge Landis exercises in the realm of professional baseball, and Will Hays possesses in motion pictures.

Bissell Outlines Idea

This conception, however, now appears to have been erroneous. R. M. Bissell, president Hartford Fire and chairman executive committee of the new association, states its first official will "have authority to act as investigator and perhaps as mediator. He will not, however, have arbitrary authority such as so-called czars of industry receive. His duty will be to report his findings to the central organization of executives and they will decide what will be done in each particular case as it may arise."

Continuing, Mr. Bissell says: "It is our hope that the new body will prove to be extremely useful. We hope it will enable us to give the public better service, to effect economies of operation, to bring our various activities into closer accord and, finally, to result in more ethical practices."

"We will investigate practices of in-

(CONTINUED ON PAGE 42)

Livingston New Head of Insurance Commissioners

W. A. TARVER WAS ADVANCED

Organization Will Hold Its Midyear Meeting in New York City Dec. 8-9

President—C. D. Livingston, Michigan.
First Vice-President—W. A. Tarver, Texas.
Second Vice-President—G. W. Brown, Minnesota.
Secretary—J. G. Read, Oklahoma.
Chairman Executive Committee—D. C. Boney, North Carolina.
Executive Committee—G. S. Van Schaick, New York; S. A. Olsness, North Dakota; J. B. Thompson, Missouri; R. C. Clark, Vermont; H. W. Hanson, Illinois; Theo. Thulemeyer, Wyoming.
Place of Midyear Meeting—Pennsylvania Hotel, New York City, Dec. 8-9.

At the closing session of the National Convention of Insurance Commissioners at Portland, Ore., C. D. Livingston of Michigan was elected president unanimously. In fact there was no opposition to any of the newly elected officials. Hanson of Illinois placed Mr. Livingston in nomination. Clark of Vermont nominated Judge Tarver. Horswell of South Dakota nominated Mr. Brown for second vice-president. Livingston of Michigan nominated Major Boney.

Exchange of Courtesies

As Judge Tarver moves up to the second vice-presidency he becomes ex-officio a member of the executive committee. For the vacancy Fishback of Washington and Van Schaick of New York were put in nomination. Both men paid high tribute to each other. Each expressed a wish to withdraw his name. Finally Mr. Fishback prevailed and the Empire State superintendent was chosen. The other five were re-elected.

Judge Tarver moved the vote of appreciation of the services of President J. G. Read and Secretary A. S. Caldwell. Following Mr. Read's retiring address as president, he was called on by the new president to give an inaugural address as secretary.

Commissioner Bowles of Virginia introduced the resolution of appreciation for the Portland people and their hospitality.

The executive committee voted to hold the midyear meeting at the Pennsylvania Hotel, New York City, Dec. 8-9.

(CONTINUED ON PAGE 42)

Chicago Agents Association Is Launched This Week

ADOPT NEW CONSTITUTION

Hamilton M. Loeb Presides—Adopt High Aims for Improving Business Practices in Cook County

The Chicago Insurance Agents Association was definitely launched this week and at its first annual meeting with 35 local agents present, a constitution and by-laws were adopted.

Hamilton M. Loeb, vice-president Eliel & Loeb, and vice-chairman of the association, was in charge of the meeting in the absence of Lyman M. Drake, Critchell, Miller, Whitney & Barbour, chairman.

It was an enthusiastic inaugural meeting with many predicting that the organization will soon occupy a place of paramount importance in the activities of local agents in Cook county.

Open to Cook County Agents

It is clearly stated that with due regard to the paramount rights and interest of the insuring public, the objects of the association will be to establish and maintain an organization for and among agents licensed to transact insurance business in Illinois and compensated on a commission basis. Cordial relations will be fostered among its members and the association will support correct practices of underwriting in cooperation with insurance companies, company organizations, and local boards. Assistance will be given agents in obtaining a fair recompense for their services and payment of rebates or of commissions to persons not authorized to receive them will be opposed. The association will endeavor to improve and develop by all lawful means insurance business in Illinois.

Membership is open to any local agent of stock insurance companies licensed in Illinois who is compensated on a commission basis, and who maintains an office in Cook county. The dues are \$10 semi-annually for each firm, corporation, association or individual member.

The association plans the appointment of a committee that will have as its principal activities the contacting with other organizations such as the brokers' association, the Chicago Board and the casualty managers' organization.

Officers of the association are: Chairman, Lyman M. Drake, Critchell, Miller,

W. U. A. Meeting Is Full of Interest

Three Important Matters Are Discussed at Semi-annual Gathering

FEW RULES VIOLATIONS

Need for Standard Form of Agency Appointment Revives Move Started by Old Western Union

At least three important subjects were acted upon by the Western Underwriters Association at the semi-annual meeting in Manchester, Vt. It now develops that the practice of companies renting space from local agents for the use of their special agents has grown to such an extent that it is being abused, since rental charges paid local agents are considered in the light of additional compensation for business.

Meeting the issue, the W. U. A. adopted as mandatory legislation a resolution declaring that the rental of space for use of company employees from any commission compensated agent in any part of W. U. A. territory or in excepted cities shall be a violation of the compensation rules. The governing committee is empowered to establish the date when this rule shall become effective.

Growth in Recent Years

When the custom of housing special and state agents in offices of local agents was inaugurated many years ago the remuneration to local agents was a minor item, but it is stated that in recent years, companies have used the custom as a means of passing on an additional sum which in effect amounts to excess commissions.

Another action directed at the payment of excess commissions or broker-

(CONTINUED ON PAGE 42)

Whitney & Barbour; vice-chairman, Hamilton M. Loeb, Eliel & Loeb; secretary, H. E. Knight, Moore, Case, Lyman & Hubbard; and treasurer, G. R. Roberts, G. W. Roberts & Son.

INSURANCE COMMISSIONERS ELECT NEW OFFICERS



C. D. LIVINGSTON, Michigan
President



W. T. TARVER, Texas
First Vice-President



GARFIELD W. BROWN, Minnesota
Second Vice-President



JESS G. READ, Oklahoma
Secretary

California Men in Curtain Raiser

State Association Convention Is
Preliminary to That of Na-
tional Agents' Group

RAMSDEN IS PRESIDENT

Drastic Regulations Presented Criticiz-
ing Enforcement of Qualification
Law, Auto License Method

By C. M. CARTWRIGHT

President—Percy S. W. Ramsden, Oak-
land.
First Vice-President—William Menn,
Los Angeles.
Second Vice-President—Earl Cady,
Bakersfield.
Regional Vice-Presidents—Herbert
Scudder, Sebastopol; Thornton Webster,
San Jose, and Donald Goldsmith, San
Diego.
National Councillor—H. J. Thielan,
Sacramento.

LOS ANGELES, Sept. 23.—As a
curtain raiser to the great annual
convention of the National Association of
Insurance Agents in this city, the Cali-
fornia association held its annual meet-
ing Tuesday. Through the effort of
the California association and the San
Francisco Insurance Brokers Exchange,
a bill was passed requiring written ex-
amination for agents, brokers and soli-
citors licenses.

The intent of the law was to cut out
the unqualified. P. S. W. Ramsden of
Oakland stated that to be a success and
to bring about salutary effects the law
must be enforced by the insurance de-
partment. The only thing the depart-

ment has done he said is to prepare a
colorless questionnaire whose queries
can be answered by "yes" or "no" but
which does not bring out any facts to
develop qualification.

Mr. Ramsden stated that unless the
act were properly interpreted and en-
forced it would be worse than nothing.
The law he said gives the fullest pos-
sible power to the insurance depart-
ment. He called attention to the fact
that many of the great army of unem-
ployed are getting into insurance. He
said that in one month there were 6,000
licenses granted.

R. F. Foster, president San Francisco
brokers exchange and Assemblyman H.
B. Scudder of Sebastopol, who is a lo-
cal agent and who did much to get the
bill through both houses, stated that the
act should be enforced but that so far
the department has done nothing to-
ward putting the law into effect.

The resolutions committee brought in
a drastic resolution calling on the in-
surance department and the executive
officers of the state to take immediate
steps to enforce the law. It instructed
the California officers to take such ac-
tion as will bring about a change of
front and to see to it that the law in
letter and spirit is enforced.

Insurance Commissioner Mitchell,
Chief Deputy H. F. Rasbrough and
Miss Lyman, who has charge of the li-
cense department, were present. Mr.
Mitchell stated that the law will be in-
terpreted as the counsel for the depart-
ment sees it. He said that he did not
believe that the interpretation would be
much different from the way the agents
viewed the measure.

He suggested that a committee be ap-
pointed to confer with the department
on the subject. This was agreed to and
a committee will soon be appointed.
Commissioner Mitchell's appearance and
statement seemed to throw oil on wa-
ters that were decidedly troubled.

The resolutions committee protested
against outside bodies not departments
of the state government collecting auto-

mobile fees, distributing automobile li-
censes and taking care of operators' li-
censes. It was held that this was a
function of the state and the work
should be carried on by state employees.
The resolutions committee also urged
that local agents take an active part in
the effort to reduce traffic accidents.

Invitations were received for the 1932
convention from Monterey and Santa
Rosa. Herbert Scudder of Sebastopol
on behalf of the California association
presented the retiring president Eugene
Battles, and Mrs. Battles, who was es-
corted to the platform, with a silver
set.

President Percy H. Goodwin of the
National association paid his respects
to the convention and briefly addressed
his confreres of his own home state.

Battles Makes Prediction

President Eugene Battles presided.
Greetings were extended by President
H. G. Bowby of the Los Angeles Insur-
ance Exchange and Secretary G. D.
Williaman of the California real estate
association. Mac O. Robbins of Santa
Ana was appointed chairman of the
resolutions committee and W. I. Rambo
of San Jose, chairman nominating com-
mittee.

President Battles in his report pre-
dicted that the new organization of fire
company executives will provide the
way for proper conference with the
agency association. California agents
through their organization secured the
passage of a qualification law which
he said gives equitable treatment to all.

Many companies assisted in this legis-
lation. The California agents decided
not to push an agency limitation law,
allowing the United States Supreme
Court to pass on the validity of the Ore-
gon law, which had been challenged.
Mr. Battles declared that there will be
a real sifting out of companies owing
to business conditions.

F. C. Colridge of Oakland, executive
secretary, gave his report, stating that
business conditions are being reflected
in trade organizations through decrease

in membership and more financial dif-
ficulty.

The California association now has
778 members, a decrease of 10 percent
from last year. He said that there have
been many local associations formed
during the year.

One of the problems confronting the
agents is the number of improvised
automobile fleets, some of which have
been promoted by the agents. He said
there are practically 35,000 agents
licensed in the state, which he declared
is out of all proportion to the require-
ment.

Former state presidents were intro-
duced, Will Stephens and Matt T. Man-
cha, Los Angeles; Mac O. Robbins of
Santa Ana; N. V. Swett, Fresno; Harry
Schroeder, Oakland, and W. T. Rambo,
San Jose.

Amarillo Agents Elect Officers for Coming Year

AMARILLO, TEX., Sept. 23.—The
Amarillo Insurance Exchange has just
elected officers for the coming year.
Rolla V. Cartwright, president, George
Ordway, vice-president and Fancher
Upshaw were those chosen at the re-
cent meeting. President Cartwright an-
nounces that the first thing which will
be done is to enter thoroughly into the
details of the new agents license law.
This will be done so as to familiarize
each member with the details so that
later there can be no excuse for any
infractions or misunderstandings.

May Defer Compliance

NEW YORK, Sept. 23.—Fire com-
panies probably will withhold compli-
ance with the request of the Louisiana
Insurance Commission that they furnish
experience upon hotel, hospitals and
sprinklered risk properties in the state
for the two five-year periods, 1921-25
and 1926-30 until the law governing the
matter can be fully studied.

AMERICAN AUTOMOBILE INSURANCE COMPANIES

SAINT LOUIS

*Offer the facilities of Branch Office service for the convenience of AGENTS
and BROKERS at the following strategic locations, each
servicing surrounding territory:*

BOSTON

Boston Insurance Exchange,
W. D. DUTTON, *Manager*

CHICAGO

A2123 Insurance Exchange, South,
C. M. KINNEY, *Resident Vice-President*

COLUMBUS

513 First Citizens Bldg.,
R. I. TAYLOR, *Manager*

DETROIT

1717 First National Bank Bldg.,
R. Z. ALEXANDER, *Manager*

INDIANAPOLIS

210 Continental Bank Bldg.,
M. W. DOYLE, *Manager*

LOS ANGELES

200-724 South Spring St.,
D. R. SESSIONS, *Resident Vice-President*

MILWAUKEE

212 W. Wisconsin Ave.,
C. M. LATTI, *Manager*

NEWARK

1005 Chamber of Commerce Bldg.,
CARLTON HINES, *Manager*

NEW ORLEANS

1227 Hibernia Bank Bldg.,
J. J. GREVEMBERG, *Manager*

NEW YORK

21st Floor, 90 John St.,
R. S. CHOATE, *Resident Vice-President*

PHILADELPHIA

329 Walnut St.,
J. R. HUGHES, *Manager*

SAN FRANCISCO

301 Adam Grant Bldg.,
GEO. E. ADAMS, *Resident Vice-President*

INSURANCE ON AUTOMOBILES EXCLUSIVELY

SINCE 1911

"WHERE I MAKE MY MONEY"

"I make my money," said an insurance agent to us, "marketing insurance."

"But recently we saw that we were also in another business. We knew little about this other business. And in it we were losing much of the money we made in the insurance business.

"Our uncollected accounts showed us we were in the financing field on rather a large scale. Of course it was not financing as a business but as a charity. And worst of all, we didn't even conduct our charity in a business like way. Financing had not been our study or experience.

"That is why we called in your company. Now we concentrate on selling insurance. Where it is necessary to have financing done we let you do it.

"We get our money at once. The customer is better satisfied. He handles his insurance payments on a definite plan that does not make settlement a burden at any time."

The National Guarantee and Finance Company of Columbus is well established in the installment finance field. It has nine branch offices in the middle western states and a subsidiary in New York City. Assets exceed \$1,400,000. Insurance and banking references freely given.

The National Guarantee and Finance Company

John E. Davis, Pres.

306 Yuster Bldg., Columbus, Ohio



A Plan Which Saves Good Business for Your Agency

Find out for yourself. Use the inquiry form on this page. Premium financing will be handled for qualified agents of Fire & Casualty Companies.

The National Guarantee & Finance Company,
306 Yuster Bldg.,
Columbus, Ohio.

We want to know the details of your financing plan which will enable us to get our premium money directly after we make a sale. Send us, without obligation on our part, your booklet, "Selling More Insurance by the Budget Plan."

Agency
Street
City
State

A PLAN WHICH GETS CASH WITH THE ORDER

THE SATURDAY EVENING POST

MR. S. ...
a black ...
two ...
nounced ...
together ...
the future ...
Smacks. In ...
"An' let ...
went on ...
"that there ...
the situat ...
mean? Fri ...
with it. No ...
we want ...
per cent. ...
he has a fri ...
right or am ...
Quite righ ...
Hope ...
"Oke, dad ...
"Very fair ...
Byrd, pres ...
gravity of ...
Mr. Brodie ...
Irving Felt ...
law and cod ...
cigarette in ...
grinned. Mr ...
for his beath ...
continual dip ...
long business ...
frowned, the ...
comment on ...
tion.

Don't Buy Stable-door Insurance

IT WON'T take you long to find out if you have had insufficient insurance or the wrong kinds of insurance when Fire, Windstorm or some other disaster damages your home. THEN you will be glad to buy the insurance you need NOW—anybody can lock the door after the horse is stolen.

But why wait to learn such an expensive lesson? In almost every important city and town in the country there is an ALLIANCE Agent who has the necessary knowledge and experience to plan all-around insurance protecting home-owners from nearly every eventuality. You will be surprised how little a really safe program of insurance will cost.

Ask your
ALLIANCE

Helping the Alliance Agent sell more insurance to each prospect.



THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA

Head Office: 1600 Arch Street, Philadelphia

CHICAGO
209 W. Jackson Blvd.

SAN FRANCISCO
231 Sansome Street

ATLANTA
8th Floor, Hurt Bldg.

Thomas T. North's Anniversary

Next Sunday (Sept. 27) Thomas T. North will celebrate his 20th year as an adjuster in Chicago. This will not be just another anniversary, but will instead be an event of prime importance, not only to Mr. North but to all of his friends and to those who do business with him. His rise in the adjusting field is something worth celebrating.

First Specialty Office

Twenty years ago he established the first office in Chicago devoted exclusively to the adjustment of automobile losses. It was probably the first office of the kind that was opened any place in the United States. At that time Mr. North was convinced that the adjustment of automobile losses would grow to enormous proportions, and that the first one in Chicago to become a recognized specialist in the handling of automobile claims would most certainly attract a considerable business. His hunch of 20 years ago has proven to be correct throughout all of the time that he has been in business.

Expanded Gradually

For many years Mr. North handled nothing but automobile losses, refusing time and time again to take general fire claims. Some years ago when he felt he had the equipment and personnel, Mr. North branched out into the adjustment of the specialty lines—inland marine and all risks cases and compensation and liability claims. In each instance he did not commence to handle these claims until he had a department ready to function and a man to head it. In this way he has maintained his plan of having special equipment to handle the various types of losses.

1,000 Losses a Month

While the Thomas T. North Adjusting Company is known wherever adjusting work is done, there are still many who are not aware of the rapid growth of the organization or the large proportions it has assumed in recent years. For instance, five years ago Mr. North's Chicago office was handling 4,000 losses annually. This year it has been adjusting losses at the rate of 1,000 a month. The number of losses has thus trebled in the last five years. In 1931, regarded by most people as the depression year, Mr. North's office is making its greatest record.

Mr. North's early training was as an automobile mechanic. When he decided to become an automobile adjuster he secured desk room in the local agency of John D. Cory in the National Life Bldg. in Chicago. He moved into the Insurance Exchange Bldg. when it was opened in 1912, taking desk room with Thrasher Hall on the 16th floor. A year or so later he established his own office at 1565 and made two subsequent moves, each time to larger quarters. When the Insurance Exchange Annex was opened in 1928 Mr. North took the



THOMAS T. NORTH

space at A-1818, but in February of this year he was compelled to take still larger quarters at A-1803. He now has more than 7,000 square feet and 95 active accounts to handle out of the Chicago office. He has a staff of 30 and maintains branch offices at Milwaukee, Indianapolis and Davenport.

Monday Night Classes

Mr. North has always put his whole heart and soul into the handling of the adjustments sent to his office. He insists that every loss be given careful personal attention. He has established an enviable reputation among companies and the assureds with whom he has come in contact, and he prizes his business reputation highly.

Mr. North conducts classes every Monday at which various losses which have gone through his office are reviewed and the method in which they were handled considered. Each case is discussed in some detail so that the fine points of loss adjusting may be developed.

Has Company Attitude

Mr. North has what might be termed the company attitude. That is, he believes not merely in adjusting losses, but in improving the conditions that cause losses. He believes not only in recovering stolen automobiles, but in making it more difficult for them to be stolen. He has brought about a healthier condition in the business by reason of this viewpoint.

"Tom" North has an appealing personality. He has a host of friends. He has won them by the unusual service he has rendered the business in Chicago and the willingness he has at all times shown to put his business above everything else.

I. A. C. Group Sessions to Take Up Important Topic

Subjects of vital importance will be discussed frankly at the fire and casualty group meetings of the Insurance Advertising Conference in the annual convention at Toronto, Oct. 4-7.

Chairman F. S. Ennis, America Fore, has prepared an interesting program. The first topic was selected by the members themselves, "Are we planning our advertising for the sole purpose of benefiting our companies—or to win the admiration of other advertising men?" This will be discussed at the first fire and casualty group session, to be held Oct. 5, at 2 p. m., with Mr. Ennis presiding.

There will be two other meetings of

this group, both Oct. 6, the chairmen being S. F. Withe, Aetna, and H. E. Taylor, American of Newark.

Death of John E. Coates, Sr.

LITTLE ROCK, ARK., Sept. 23.—John E. Coates Sr., aged 61, senior member of the Coates & Rainess general agency died here Sept. 20.

Mr. Coates had been identified with the insurance business in Little Rock since 1889, when he was employed by the firm of Adams & Boyle, which subsequently became Coates & Rainess, with Eugene E. Rainess as Mr. Coates' partner.

Mr. Coates formerly was president of the Little Rock Boys Club, a movement in which he was keenly interested. He was largely instrumental in obtaining the old Concordia Club building as the clubhouse for the boys.



*By
Demonstration
or
How to Sell*

**AIRCRAFT
DAMAGE**

**PROPERTY
INSURANCE**

Bomb Your

Locality with Advertising !

YOU cannot sell unusual insurance coverages without making your prospects feel the necessity for them. Aircraft Property Damage Insurance is becoming more and more a commonplace, but an "airminded" plus "advertising minded" agent will get much of this business while his competitors are still taking ground courses in the selling of it.

The "Springfield Group" has an advertising flier entitled — "Like an Aerial Bomb" and a broadside telling how to use it. If you wish to take the stick and soar to a greater commission income, it will pay you to investigate what we have to offer in the way of business building ideas.

THE SPRINGFIELD GROUP OF FIRE INSURANCE COMPANIES

SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY

Chartered 1849

Cash Capital, \$5,000,000.00

SPRINGFIELD, MASSACHUSETTS

GEORGE G. BULKLEY, President

Harding & Lininger, Mgrs., Chicago. John C. Dornin, Mgr., San Francisco. W. E. Findlay, Mgr., Montreal

CONSTITUTION DEPARTMENT, Springfield, Massachusetts

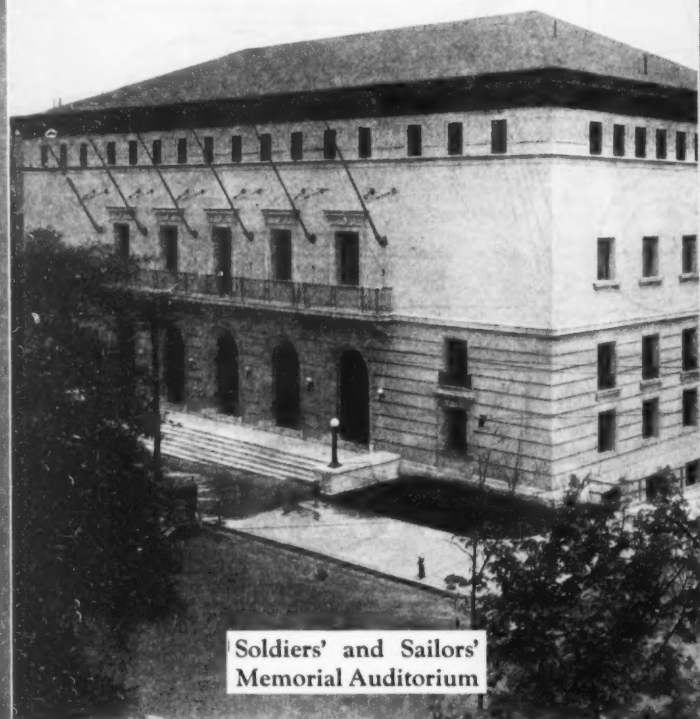
SENTINEL FIRE INSURANCE COMPANY, Springfield, Massachusetts

MICHIGAN FIRE & MARINE INSURANCE COMPANY, Detroit, Michigan

NEW ENGLAND FIRE INSURANCE COMPANY, Pittsfield, Massachusetts



'Way Down South' and the Dixie



Soldiers' and Sailors'
Memorial Auditorium

CHATTANOOGA Tennessee

*I*N 1834 a Cherokee chief, John Ross, built a house (still standing) within the present limits of Chattanooga and the place was called Ross's Landing. It was incorporated as Chattanooga in 1851, and received a city charter in 1866.

Originally noted for its iron industry because of the proximity to coal fields and iron mines, today it is an important railroad and trade centre. Its greatest possibilities, however, lie in manufacturing, because of the extraordinary hydro-electric power developments on the Tennessee and Ocoee Rivers.

The city and its environs were the scene of important engagements in the War between the States, notably the battles of Chickamauga, Missionary Ridge and Lookout Mountain. Because of this, as well as for scenic reasons, it is a popular tourist resort.

There are many fine buildings — among which may be mentioned the Soldiers and Sailors Memorial Auditorium, and the home offices of three insurance companies — while close by are Signal Mountain and Lookout Mountain, offering healthful recreational facilities.

The DIXIE

FIRE INSURANCE COMPANY

Greensboro, N. C.

Organized 1906

Surplus to Policyholders \$1,186,927.14

ONE OF THE AMERICAN GROUP

Premium Finance Plan Is Meeting with Great Favor

A DECIDED BENEFIT TO ALL

**Provides Strong Sales Argument for
Agent and Substantial Amount
of Commission Quickly**

The insurance premium financing service made available about a year ago by the Insurance Premium Finance Company of Cleveland has been limited, until recently, to Ohio agents. The plan, according to officials, is being used enthusiastically and effectively by hundreds of agents throughout Ohio and the large number of inquiries from agents in many other states indicates a definite trend of interest.

The agent or agent enters into an agreement with the finance company and is furnished a pocket wallet for each solicitor, containing a printed folder setting forth schedule of charges, examples, procedure, etc. A supply of the necessary forms (two in number) for use in connection with each account is also furnished.

Carries Benefits for All

The agent is then in a position to offer his customer the convenience of 7 or 11 monthly payments at a comparatively small additional cost to realize immediately approximately his commission and to make payment to his companies in accordance with the customary 45 day current account terms.

Upon receipt of an account to be financed an acknowledgment form is immediately forwarded to assured, giving pertinent information with which is enclosed a convenient installment payment coupon book.

The agent is forwarded a check immediately for 25 percent of gross premium and the balance is forwarded 42 days after end of month in which policies are dated, thereby contemplating a practical protection to the insurance companies. A further protection seldom applicable, is incorporated in the agreement between agent and finance company, that payment may be made direct to the insurance companies if they so request.

Notices Are Courteous

The matter of good-will between agent and customer is fully recognized and the system of notices is courteous and businesslike. It is a well recognized fact that a third party, that is, a person other than the manufacturer, distributor, dealer or agent can much more effectively accomplish collection and without loss of good-will between seller and buyer. This principle, according to the finance company, is believed to be true to a greater degree in insurance than any other.

Sales and collection helps, particularly the latter, are furnished by the finance company in such quantities as required from time to time. The unique copyrighted policy band is reported being used enthusiastically and effectively and an illustrated copyrighted booklet in dialogue form gives the solicitor the key to the successful and fullest application of the plan.

Carries Budget Plan

In this booklet a service is illustrated which appeals to professional and business men—the budget plan, under which the agent can save the individual assured hours of time each year and himself from three to six months more a year to devote to productive effort.

That the opportunity to make purchases through installment payments makes a real appeal to a considerable part of the American public is evidenced by the rapid growth of the installment system from small beginnings and its constant extension into new fields of both necessities and luxuries. In many lines of business sales have been greatly

stimulated by the installment system opening up new fields of distribution.

"There is no question that an installment plan will attract new assureds, both now and to a much greater extent during and after the return of more prosperous business conditions," the finance company reports. "It will enable many to purchase more adequate protection."

The finance company reports the percentage of cancellations on account of non-payment of installments as approximately 3 percent of the accounts financed, representing approximately only half of 1 percent of the gross premiums financed, meaning that smaller accounts are those allowed to default and that many agents are reducing their percentage of renewal cancellations by offering the installment finance plan.

Reciprocity Drive Effective

The North Carolina Association of Insurance Agents reports receipt of a letter from the secretary of the Cudahy Packing Company of Chicago stating that this company has canceled all of its insurance carried with assessment concerns and now its entire line is placed with stock companies. The effect of the reciprocity campaign of the National Association of Insurance Agents and state associations is made evident through the request of the Cudahy company's secretary that wherever possible agents purchase Cudahy merchandise.

Pearl of London Results

From March, 1927, to Dec. 31, 1930, the Pearl of London made a net gain from underwriting and investment of \$209,662. The surplus increased in this period \$109,474. These figures were contained in the report as of Dec. 31, 1930, filed by Superintendent Van Schaick of New York. On that date the Pearl had total assets of \$2,277,973. It had a statutory deposit of \$200,000 and surplus of \$909,474.

Mutual Speaker Announced

Dr. Henry Casey, Iowa State College, will talk on fire and wind resistive construction on Oct. 5 at the annual meeting of the National Association of Mutual Insurance Companies in Chicago.

WANTED

Adjuster thoroughly experienced in adjusting general fire, Automobile and inland claims for Cook County Department of Stock Company. State experience, salary desired and full particulars. Address **U-26**, The National Underwriter.

Texas General Agency can use one more fire connection and one casualty company. Management well seasoned in underwriting and favorably known in Texas field. Address **U-24**, The National Underwriter.

WANTED

Fire and casualty special agent for Cook County. Good opportunity for the right man. Address **U-25**, The National Underwriter.

WANTED—State Agency for Minnesota, Bureau or non-affiliated Fire and Casualty Company. Address **U-23**, The National Underwriter.

High grade Union Insurance Agency within 40 miles of Chicago producing \$6,000 a year in commissions, is for sale to a responsible party. If interested address **U-22**, The National Underwriter.

The U. S. Supreme Court Said—

"Good Will" is the Disposition
of a Pleased Customer to return
to the place where he has been
well treated."

ENDURING CONTRACTS to-

gether with REQUESTS for
additional contracts received
from customers of long stand-
ing places the stamp of GOOD
WILL on INTER-OCEAN
TREATIES.

REINSURANCE

INTER-OCEAN REINSURANCE COMPANY

CEDAR RAPIDS, IOWA

RICHARD LORD, President

ROY E. CURRAY, Secretary

KARL P. BLAISE, Asst. Secy.

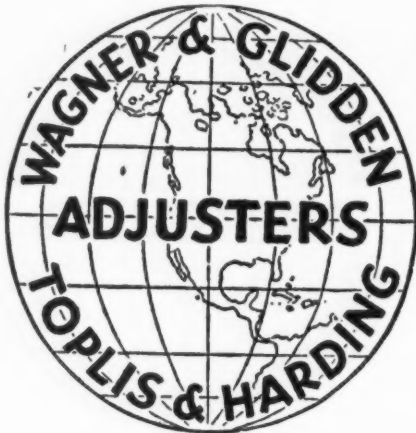
FIRE

TORNADO

AUTOMOBILE

SERVICE UNEQUALED

ALL OVER THE
WORLD



An organization of specialists in the handling of all claims, including—

AUTOMOBILE — AVIATION — USE & OCCUPANCY—FIRE—TORNADO—RENTAL — SPRINKLER LEAKAGE—FURS—JEWELRY—ALL RISK BURGLARY — LIVE STOCK — BLANKET BONDS —RADIUM—FINE ARTS.

CHICAGO — NEW YORK — PHILADELPHIA
LOS ANGELES—SAN FRANCISCO
MONTREAL—LONDON—MANCHESTER
STRASBOURG—ANTWERP—GENOA
ALEXANDRIA—CAIRO—SHANGHAI
PARIS—MARSEILLES—NICE

Represented in every principal city in the world

Grupe to Manage Revamped Continental Lloyds, Chicago

TO START WRITING ON JAN. 1

Well Known Insurance Man at Helm of Revived Organization—O. J. Taylor Backer

New interests have bought into the Continental Lloyds of Chicago, planning to put it into active operation the first of the year. Promotion of this organization was originally started early in 1929, by interests not identified with insurance, but little progress was made. In the early summer of this year Orville J. Taylor, prominent Chicago attorney, of the firm of Taylor, Miller, Busch & Boyden, became interested and is a leading factor in the effort to put the Continental Lloyds in the field. Continental Lloyds Agencies is the managing corporation.

A trust fund of \$150,000 is now on deposit, and this, according to the announcement, will be increased to \$500,000 by Jan. 1 and ultimately to \$1,000,000.

A. H. Grupe Is Manager

Albert H. Grupe, head of the Strom, Carlson & Grupe agency of Chicago, has been acquired as secretary and treasurer. He will be in charge of the insurance operations. A. H. Sweet, president of the American Tag Company, is president of Continental Lloyds, and Mark Shanks, president West Town Chamber of Commerce, is vice-president.

Headquarters will temporarily be in the Insurance Center building, 330 South Wells street. Mr. Grupe states that Continental Lloyds will write all kinds of fire, casualty and inland marine, specializing in certain London Lloyds comprehensive contracts.

Mr. Grupe is well known to insurance men. He started in the business in a local agency in St. Louis and later went into the field, traveling for the Liverpool & London & Globe in Missouri; then with the Providence Washington in Missouri and Iowa; later with the British America and Western of Toronto in Missouri and Illinois. Then he became head of the Hartford's automobile department in Chicago.

In 1918, Mr. Grupe was appointed manager of the automobile and inland marine departments of the America Fore companies in New York. He later resigned and returned to Chicago where he became vice-president and general manager of H. G. B. Alexander & Co., which were United States managers for the Union of Canton and were affiliated with the Continental Casualty. It was at the instance of H. G. B. Alexander & Co., in 1926, that the National Fire of Hartford organized the Transcontinental to act as a running mate to the Continental Casualty. Mr. Grupe helped in the establishment of the Transcontinental, which in 1928 was sold to the National.

In 1923 Mr. Grupe went to London and made a study of the London Lloyds plan of operation. For several years he has been actively engaged in handling and originating coverage at London Lloyds and his firm is one of the agencies in Chicago acting as attorney-in-fact for London Lloyds.

Other directors are William Schlake, president Illinois Brick Co.; E. W. Teagle, Sun Oil Co.; J. H. Sasser, president Montrose Manufacturing Co.; D. R. Bryant, president Pullman Trust & Savings Bank; J. H. Moss, Rockwell Manufacturing Co., Milwaukee; H. N. Tolles, Sheldon Schools.

Named by Frelinghuysen

The Cooling-Grumme-Mulford Company of Indianapolis has been given the general agency for the J. S. Frelinghuysen companies, embracing the Stuyvesant, American Home and American Constitution.

AMERICAN INDEMNITY COMPANY GALVESTON

C. S. KUHN, Vice President

COMPLETE
AUTOMOBILE PROTECTION
FIDELITY
AND
SURETY BONDS

Desirable
general agency
contracts
available in
unallotted territory

SAFETY SATISFACTION SERVICE

Whatever any
other companies
do for their agents
within the bounds of
sound, ethical business
and good underwriting
practice, we will do.

FIRE
WINDSTORM
AUTOMOBILE INSURANCE

AMERICAN Fire & Marine INSURANCE COMPANY GALVESTON

E. C. FRENCH, Vice President

Trading Post For 19,000,000 People



1858. Kansas City is a frontier town, a trading post of 700 people. Thousands of pioneers passed through the gates of the new empire on their way westward. Thousands stayed. People who intended to travel VIA Kansas City, made it their destination. The city grew and prospered. Soon the prominence of Kansas City as a trading post foreshadowed its destiny as the logical source of supply of the great Southwest.

1931. The new city that was founded as a trading post now serves a trading population of 19 million people in 14 states. The buying area of Kansas City today contains one-sixth of the nation's population.

Last year 138 million bushels of grain passed through this metropolis together with hundreds of thousands of animals for slaughter, and farm products runnings into hundreds of millions of dollars. Transportation facilities of every sort carry these goods to consumers. Railroad lines radiate in every direction. The stilled whistle of the Missouri River steamboat soon is to be heard again. Modern highways reach out to every section. Regularly scheduled air lines speed above the old trails to every section of the territory.

Union Indemnity Company, a modern pioneer in the insurance industry, has long been a leader in the development of new insurance policies and new ideals of service. For years Union Indemnity Company has maintained a Claim and Service Office here as the logical center convenient to our great army of agents throughout the Southwest. We are keeping step, as Kansas City continues to pioneer.



Courtesy of H. F. Slaughter

Union Indemnity Company

A DIVISION OF INSURANCE SECURITIES COMPANY, INC.



Detroit Life Insurance Company
La Salle Fire Insurance Company
Union Title Guarantee Company, Inc.

EXECUTIVE OFFICES: UNION INDEMNITY BUILDING, NEW ORLEANS

100 MAIDEN LANE, NEW YORK

Progress Noted at Meeting of Vermont Agents' Group

PRESIDENT CHENEY IN CHAIR

Smooth Working of New England Association's Plan Commented on by
Speakers at Barre, Vt., Gathering

BARRE, VT., Sept. 23.—A gala event in the history of the Vermont Association of Insurance Agents was the celebration here today of the 25th anniversary of the organization. Unusually prominent speakers filled a long program afternoon and evening before some 100 members, including 10 ex-president of the association, with President Thomas C. Cheney of Morrisville presiding.

The following officers were elected: President, Munn Boardman, Burlington; vice-president, Stephen C. Dorsey, Rutland; secretary-treasurer, Mary Louise Milo, St Albans; chairman of the executive committee, William A. Drew, Barre.

Presidents Report

The manifold benefits of the agency system, particularly of the active work of the National Association of Insurance Agents, were impressed upon Vermont agents by President T. C. Cheney of Morrisville, Vt. G. D. Markham, insurance director of the U. S. Chamber of Commerce and past National association president, speaking on "Uses of Adversity," urged the agents to eliminate waste and perfect their efficiency.

Henry Swift Ives, counsel of the Association of Casualty & Surety Executives, spoke on "Political Depression and Insurance."

Deputy Commissioner of Insurance Carl M. Spencer brought a message from the department and Ivan E. Lang of Waterville, Me., sketched the achievements of the New England Advisory Board. Dale D. Butler of Middletown, Conn., gave a humorous talk scoring agents for some of their frailties.

Mr. Lang said President Cheney of the Vermont association would be selected as chairman of the advisory board at the annual meeting in October. Each one of the New England states save Vermont has had at least one representative serve as head of this board.

Honorary Members Elected

On motion of Munn D. Boardman of Burlington the following were elected honorary members of the Vermont association: George D. Markham, St. Louis, Mo.; Edward M. Allen, New York; Henry H. Putnam, Boston; Dale D. Butler, Middletown, and Wm. Carroll Hill, Boston. It was voted to hold the spring meeting of the association in Brattleboro.

Annual Banquet

Selden G. Watson of St. Albans acted as toastmaster at the banquet in the evening. Joseph T. Cole of Kennebunkport brought the greetings of the Maine association, Archie B. Gile of Hanover the greetings from New Hampshire, and Wm. Carroll Hill spoke in behalf of the press. Henry H. Putnam also was secretary of the National association when the Vermont organization was born, spoke in a reminiscent vein. Frank L. Brigham of Andover, Mass., who was first secretary of the Vermont association, reviewed the formative years of the organization.

Miscellaneous Notes

J. L. Fulghum, adjuster with the Montgomery office of the Fire Companies Adjustment Bureau, has been transferred to the bureau's Raleigh, N. C., offices.

The Pacific Coast office of the New York Underwriters has been moved to the Hartford building at 720 California street, San Francisco. The city office is being combined with the Hartford's metropolitan office at 441 California street. The management will remain as heretofore.

Snap Shots Taken on the Fly at Commissioners' Meeting

The Portland local arrangements committee for the meeting of the National Convention of Insurance Commissioners under the leadership of Vice-President W. C. Shuppel, Oregon Mutual Life, did yeoman's service and did a magnificent piece of work. Mr. Shuppel is a most gracious and versatile host.

Commissioner J. I. Reece of Tennessee made his first appearance and left a most excellent impression.

Secretary A. S. Caldwell of the commissioners association, was accompanied by his attractive daughter, Mrs. Langdon C. Quin of Atlanta. Mr. Quin is a member of the general agency firm of Hurt & Quin of Atlanta and is chairman of the executive committee of the American Association of Insurance General Agents.

Commissioner E. W. Clark of Iowa, Former Commissioner Ray Yenter and A. H. Hoffman of the Yeoman fraternal of Des Moines flew to Portland from Des Moines, traveling all night.

The P. E. O. sisterhood, a national college women's organization, swamped the Portland hotels and at times jammed the Multnomah lobby.

The new Portland company, the Union States Life, did a very handsome thing in sending to the visitors an attractive basket of fruit. W. E. Hibbard, the president, was formerly manager of the Capitol Life of Denver at Portland and greeted the visitors in the hotel lobby.

A huge birthday cake, together with some 10-cent gifts, all of a grotesque nature, sent by the ladies, was presented to Mrs. Robbins, the well known mother of Mrs. H. P. Dunham of Hartford in the dining room at dinner one evening. Mrs. Robbins seldom misses a commissioners' meeting.

Commissioner H. O. Fishback of Washington, dean of the convention, piloted some of the people up Mt. Ranier on their way home. They went from Portland to Seattle.

A goodly delegation went to San Francisco following the convention. They were the guests of the Fireman's Fund, the leading coast fire company, Saturday, on an all-day automobile trip. Assistant Secretary P. J. Agnew was at Portland arranging for the occasion. Vice-President E. T. Cairns was the official host at San Francisco.

Judge H. L. Davis, District Columbia superintendent, is a distinct accession to the organization. His banquet talk was quaint and sparkling. His treatment of loans on improved property and the revelations therefrom in

some cases, at one of the sessions was very relevant and showed intelligent experience.

Commissioner Reece of Tennessee read the paper of Commissioner A. D. Dulaney of Arkansas, who was taken from the train at Fulton, Ky., en route to Portland for an emergency operation for appendicitis.

Commissioner Olesness of North Dakota, who has been ill and in a hospital at Pierre, has recovered and was at the meeting.

Commissioner J. I. Reece of Tennessee made his first appearance and left a most excellent impression.

J. D. Saint, manager Louisiana Insurance Society and member of the state insurance board, represented the Louisiana department, and went from Portland to the Los Angeles convention.

R. P. Barbour, United States manager Northern Assurance, who seldom attends the commissioners' meetings, was at Portland. W. P. Robertson of Chicago, assistant manager North America, can now be accounted a regular member of the third house. Ditto Lamar Hill of New York, vice-president America Fore, who is a veteran third house. Frank J. Agnew of San Francisco, assistant secretary Firemans Fund, was on deck.

Henry Cobb Stebbins of Denver, representing the American Association of Insurance General Agents, represented his organization.

A. H. Wightman of New York, formerly actuary Hartford Fire organization, now an official of the American Reserve, is on a coast trip and stopped off at Portland.

Mike M. Moss of New Orleans, senior vice-president of the Union Indemnity group and his assistant, John Fast, held forth with splendid hospitality.

F. Robertson Jones of New York, manager Association of Casualty & Surety Executives, was accompanied by his daughter. Assistant manager C. W. Fairchild was also on hand.

H. H. Fuller of Chicago, assistant manager of the Zurich General was at Portland and then journeyed to the agency convention at Los Angeles.

A. H. Graham of Chicago, manager of the American Insurance Alliance, had as his bodyguard C. A. L. Fumort of Van Wert, O., head of the Fumort group of mutuals, and President M. D. L. Rhodes of the Northwestern Mutual Fire of Seattle.

Trans-America Corporation to Segregate Its Interests

NEW YORK, Sept. 23.—Insurance men throughout the country, and particularly local agents, will be interested in the announced purpose of the Trans-America Corporation, one of the largest holding corporations in the world, to sell control of its shares to banking firms, with a view to segregation of its vast interests. Thus far in 1931, the Transamerica has written off assets aggregating \$773,833,000, as a result of shrinkage in value of many of its securities. A. P. Giannini, founder of the system, formerly was president of the Bank of Italy, which maintained 437 branch offices on the Pacific Coast.

Greatly Disturbed Agents

The entry of these branches into the fire insurance business created intense furor and was so vigorously challenged by the National Association of Insurance Agents that the bank discontinued the connections two years or more ago.

In determining the present net assets of the corporation (from which consid-

eration of goodwill has been eliminated), the insurance investments are scheduled at \$3,841,000. The Transamerica Insurance corporation, a subsidiary, controls the Pacific National Fire and the Occidental Life, both of the west coast, and also owns shares in other insurance institutions.

Late Casualty News

Insurance Provision Upheld

LINCOLN, NEB., Sept. 23.—The Nebraska supreme court has repelled the latest assault made by independent taxicab owners against the 1929 law which requires all operators of automobiles for hire to take out liability insurance to protect passengers from injury or death and loss of property. The court holds that the fact that a section of the law including drive-it-yourself cars in its provisions is unconstitutional does not invalidate the entire statute, not being an inducement to its passage. The railway commission, charged with enforcing it, will at once force delinquents to supply insurance.

Advertising Conference's Annual Program Announced

SUBJECTS UP FOR DISCUSSION

Frank S. Ennis, Harold E. Taylor and Stanley F. Witte to Preside as
Group Chairmen

Announcement of the program for the fire and casualty group sessions of the Insurance Advertising Conference's annual convention to be held at Toronto, Oct. 4-7 is made this week by Frank J. Price, Jr., of the Prudential Life, chairman of the advertising conference's publicity committee.

Frank S. Ennis, advertising manager of the America Fore group will preside at the initial session which will begin at 2:00 P. M., Monday, Oct. 5. The subjects to be discussed while Mr. Ennis presides as chairman are:

1. Are we planning our advertising for the sole purpose of benefiting our companies—or to win the admiration of other advertising men?
2. How do you get definite information as to results secured from your advertising?
3. Is novelty advertising really valuable or are we simply lending our facilities to novelty manufacturers with little real benefit to either ourselves or our agents?
4. Have you made your Special Agents "advertising conscious"? How?
5. Advantages and disadvantages of the company owned printing plant. What special printing can the company legitimately do for the agents?
6. When will it be possible to sell advertising helps to agents working on the promises that what is paid for is more valuable than that which is given free?
7. How do you introduce the advertising department to new agents?
8. What should and what should not be charged to the advertising department?
9. House Organs. Have you a particular plan for each issue or is the house organ a haphazard affair? What success do you have in obtaining copy and how do you go about getting it?
10. Imprinting. Are you reducing or eliminating this expense? What is your attitude on this subject?
11. What about insurance companies doing business by direct mail and radio, in states where they are not licensed to do business?
12. How can we get more agents to use our companies' advertising helps? When only a small percentage of the total agency force take advantage of a new direct mail campaign, something is wrong—but what?

Witte to Preside

Stanley F. Witte of the Aetna Casualty & Surety, will be the chairman at the session on Tuesday morning, Oct. 6. The program of which he will have charge follows:

1. Thomas B. Hanly, Director of Public Information, National Bureau of Casualty and Surety Underwriters "Safety and National Bureau."
2. How effective has radio advertising been for fire and casualty companies? How many use this medium? On what basis is the success of a radio campaign measured?
3. What about Prospect Bureaus operated by companies writing accident and health insurance?
4. What direct mail propositions have been used with success by accident and health companies?
5. Is the agent more interested in being supplied with literature or selling suggestions or plans? Should not the advertising department devote as much thought to method of use as to the preparation of advertising material?
6. Where does advertising leave off and sales promotion begin? Is it possible to combine the two?
7. What forms of advertising are local agents especially interested in?
8. Testimonial advertising. Why not more of it? The claim files of every insurance company hold a wealth of human interest data which should be especially effective because it is true.

(CONTINUED ON PAGE 35)

Missouri Insurance Day Program Being Completed

TO MEET IN JEFFERSON CITY

Speakers From Every Branch of Insurance Arranged for Meeting on Oct. 13

ST. LOUIS, Sept. 23.—Col. Charles B. Robbins, president Cedar Rapids Life and president of the American Life Convention, will talk on "Life Insurance and Financial Stability" at the third annual Missouri Insurance Day in Jefferson City, Mo., Oct. 13.

Colonel Robbins will be the life insurance speaker of the day. John F. Stafford, Chicago, western manager of the Sun, will speak for fire insurance on "Around the Corner." The casualty insurance speaker has not been announced, but he will be another outstanding man.

All Participating

All Missouri insurance organizations are participating in the arrangements. P. K. Weis, president of the Missouri Association of Insurance Agents, will be the toastmaster at the banquet Oct. 12. The speakers will be Governor Caulfield and Superintendent Thompson.

On Tuesday the annual convention of the Missouri Association of Insurance Agents will be held besides a meeting of the Missouri State Fire Prevention Association, the first state meeting of the Missouri members of the Cat's Meow and a joint meeting of the St. Louis and Heart of America ponds of the Blue Goose.

Carl S. Lawton, president of the Missouri Insurance Council, will preside at Missouri Insurance Day.

Agents Program

The complete program for the Missouri Association of Insurance Agents convention follows:

Address by President P. K. Weis, Moberly, Mo.; welcome by Mayor Asel of Jefferson City; address, "The Insurance Department and the Insurance Business," by J. F. Holland, deputy superintendent; "Past Year's Activities," by W. F. Maring, Jr., executive secretary, Kansas City; report of legislative committee, T. S. Ridge, Jr., chairman; address, "The Work of the National Association," W. B. Calhoun, Milwaukee, chairman executive committee National association.

Vallentyne Retires After 25 Years Serving Northern

R. G. Vallentyne, veteran Oregon special agent of the Northern Assurance, has been retired on pension. For more than 25 years he has served his company and agents in the Pacific Northwest, where he has built a multitude of warm friends. He will affiliate with the Portland office of the Fire Companies Adjustment Bureau as an associate adjuster, although not a staff member, and at the same time take care of all losses of the Northern Assurance in the Portland territory. Mr. Vallentyne has the distinction of having done field work for no other insurance company, entering this line of endeavor in 1907 after seven years as a local agent at Brainerd, Minn. For the first 10 years of his field experience he traveled the Dakotas, moving to Spokane in 1917 where he remained until going to Portland, Ore. Mr. Vallentyne's field will be handled by Fred Tebbin, veteran St. Paul & Marine special agent.

New Hampshire Elects Treasurer

MANCHESTER, N. H., Sept. 23.—G. W. Swallow, connected with the New Hampshire Fire for more than 30 years, and its secretary since 1928, has been elected treasurer to fill the vacancy

caused by the death of Judge N. P. Hunt.

Judge Hunt was also chairman of the finance committee, clerk of the corporation and counsel. F. P. Carpenter was elected finance committee chairman and S. P. Hunt, son of the late judge, was chosen his successor as director and clerk of the corporation.

H. A. Schluter

H. A. Schluter, for many years state agent in Texas of the Concordia Fire, resigned Sept. 15 to become state agent of the Employers Fire. He is at the home office for a two weeks' visit.

T. Z. Franklin to Talk at Fire Waste Council Meet

T. Z. Franklin, manager of the Automobile's special risk department, will give an illustrated fire prevention lecture at the National Fire Waste Council meeting in Washington, D. C., Sept. 25. Mr. Franklin has evolved a series of experiments designed to demonstrate visually many of the more frequent fire causes.

George Opp, representative of the National Safety Council, will describe the

activities of his organization in the fire prevention field. Harvey Campbell, vice-president and secretary of the Detroit board of commerce, will talk on "Acts of God." The Detroit board of commerce won the grand award in the Inter-Chamber Fire Waste Contest in 1928 and has acquired national renown.

Electrical Group Meets

The first national convention of the International Association of Electrical Inspectors was held in Pittsburgh Sept. 14-17, being attended by a number of members of the National Fire Protection Association.

Build for the Future with Confidence!

Attractive
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Illinois
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Oregon
South Dakota
Texas
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• • • Careful education and thorough field training for new men means solid foundations on which to build new agencies.

• • • Ever on the alert for improvement, this Company has inaugurated Field Schools under the direction of a thoroughly capable instructor.

• • • In conjunction with our Educational Course, this gives the new men a thorough working basis.

A FRIENDLY ORGANIZATION

The
OLD LINE LIFE
Insurance Company of America

MILWAUKEE, WISCONSIN

NEWS OF THE COMPANIES

Consolidation Disapproved

New York Department Sees No Hope of Agreement in Germanic-American Merchant Marine Merger

The New York department has disapproved the proposed merger of the American Merchant Marine and the Germanic Fire. The letter of disapproval was signed by Second Deputy Superintendent C. P. Butler and was conveyed to J. R. Van Horne, vice-president Germanic Fire.

The deputy states it is apparent from evidence given at hearings held in the matter before the department that no agreement can be reached between dissenting and majority stockholders on valuation of the mixed claims award, which award is among assets of the American Merchant Marine. The two companies, therefore, will continue to operate separately although under the same management.

The American Merchant Marine

some months ago acquired a majority of the Germanic stock and proposed the merger to reduce expenses and make a larger company which would have more to offer agents and brokers. A minority stock interest was much opposed to the merger on the score of comparative stock valuations.

One claim for losses arising from enemy activities during the war awarded by the mixed claims commission was well over \$1,000,000 and of this \$784,306 is still unpaid to the American Merchant Marine. It was advanced that this would have increased the value of the company's stock and caused its present stockholders to secure a larger number of shares in the combined companies. The American Merchant Marine expects to receive nearly \$200,000 on this award from the United States treasury within a week or so, as official notice of payment of 27 percent of the unpaid balance has been sent out. In time it is expected the balance will be reduced to an amount which would not much affect the company's assets so that an agreement on

the merger actually may be reached in time.

Merger of Brooklyn Fire, Knickerbocker Is Proposed

Proposal will soon be made to directors of the Knickerbocker and Brooklyn Fire, both of the Corroon & Reynolds fleet, to consolidate the two institutions. As of June 30, the two companies had assets of \$6,053,812, liabilities \$2,664,225, of which \$2,135,672 is premium reserve. Capital and surplus amounted to \$3,398,587.

Insuranshares Cuts Capital

BALTIMORE, Sept. 23.—At a meeting of the stockholders of Insuranshares Certificates, Inc., held in Baltimore a resolution was passed by more than two-thirds of the stockholders effecting a reduction of the capital represented by the no-par common stock of the corporation from \$10 per share to \$1 per share. The difference of \$9 per share was to be allocated to capital surplus upon filing of the articles of reduction in the office of the State Tax Commission of Maryland.

As Seen from NEW YORK

RATTLEMAN IN CHARGE

The National Union Fire has appointed William A. Rattleman manager of the New York brokerage, metropolitan and suburban departments, which will continue at 60 John street, Manhattan. Mr. Rattleman has a wide acquaintance in New York and suburban fields, and a broad knowledge of insurance acquired through several years' experience in various departments. He was a major during the world war. He served as special agent in Pennsylvania until he was called to the home office of the National Liberty to take charge of its eastern department. He left that organization at the start of the Cosmopolitan Fire, with which he had charge of all underwriting and production. Mr. Rattleman takes immediate charge of the National Union's New York affairs.

NORTHERN'S NEW CONNECTION

Alan H. Bonito & Co., marine general agents, have been appointed agents for the automobile department of the Northern of London for the New York metropolitan district.

EXECUTIVES IN TOURNAMENT

The fall golf tournament of the Underwriters Golf Association was held at the Wampanoag country club, Hartford, Sept. 22. The association is composed of fire and casualty company executives throughout the country.

MEYERHOFF APPOINTED

A. A. Meyerhoff has been appointed New York metropolitan agent of the automobile department, Continental Underwriters. The agency since 1930 has represented the Continental as up-town branch manager for fire, and also represents the inland marine department. The appointment, therefore, makes the agency represent the America Fore group for all lines except casualty.

BURNS GENERAL MANAGER

David E. Burns has bought a large interest in the Metropolitan Underwriters of New York City and becomes general manager. This office is borough agent of the American Surety through a branch located at 1133 Broadway, and also is metropolitan agent of the Superior Fire of the Firemen's of Newark group through the 123 William street office. Mr. Burns has been in the production end ten years. He was produc-

tion manager of the First National Underwriters of New York, general manager Union Mutual Casualty of New York for Massachusetts and vice-president of the Cadco Company of Boston, underwriting agents of the Union Mutual Casualty in Massachusetts. More recently he was assistant city manager for the disability division of the Continental Casualty in New York City, in charge of production.

REPORTS ON CENTRAL BUREAU

Manager B. R. Mowry of the Central Bureau, New York City, reports to the New York department on policies canceled and approved, amounts of unpaid premiums thereon and also on letters written to brokers concerning collection and payment of unearned premiums due. There were 8,417 entries for \$34,516 premiums in April, 1931, as against 8,087 in 1930 for \$35,741, a decrease of \$1,224. On casualty business there were 4,694 items in April with \$101,861 unpaid earned premiums as compared with 4,086 in April, 1930, for \$95,064, an increase of \$6,797. This shows 13,111 items for \$126,377 in April, 1931, as against 12,173 items for \$130,805 in April, 1930, a substantial increase. The companies have reported that subsequent to filing of the Central Bureau manager's report they have collected premiums as follows: Fire, \$141,679; casualty, \$828,091; total, \$969,770.

COURSES ARE ANNOUNCED

Four insurance courses to be given evenings in the business building of the school of business and civic administration, College of the City of New York, Lexington avenue and 23rd street, Manhattan, are announced. One course for fire and casualty men is "Problems in Fire, Casualty and Surety Insurance," with Monroe Flegenheimer, well known New York broker, as instructor. It will meet Tuesday evenings at 6:40 p. m. and is designed especially for brokers. A course on "Principles of Insurance" will be held Wednesday evening starting at 8:45 p. m., with Dr. John J. Neuner as lecturer. Thursday evening Hubbard Hoover will lecture on life insurance, especially stressing topics required for C. L. U. examinations. Wednesday evenings Mr. Hoover will lecture on "Life Insurance Salesmanship."

Peace Advertising Director

W. Stanley Peace, with the Atlantic marine department of the Fireman's Fund for 15 years, has been appointed director of advertising and publicity for the Fireman's Fund group.

Dreher's Accelerator Is a House Organ That Makes a Hit

One of the house organs which is commanding the attention of agents, is the "Accelerator," edited by Ray C. Dreher, advertising manager for the Boston and Old Colony.

Mr. Dreher is in close touch with the psychology of the field forces. The selling advice which he so attractively prepares, is weighted by practical considerations. His sales hints are not conceived from the abstract point of view, which is so likely to dominate the suggestions of those who are in the business of telling others how to sell.

House organs must be attractively prepared these days in order to gain the attention of the agents. There are a vast number of these publications and there is great competition among the agency and publicity departments to get out bulletins that will be looked for and welcomed by the agent.

Mr. Dreher's publication is valued in many agencies. It is typographically attractive, Mr. Dreher making use of modern devices, and the sales articles are well selected as to subject and well prepared as to content.

On Value Per Dollar

IN these days of price madness, insurance stands strangely still. We can't cut prices as other businesses have. But we're faced by the same competition for the scarcer consumer's dollar. So act we must.

Other-business executives are learning that cutting the corners from business activity, saving lost motion, concentrating all hours on productive work, will accomplish the same result because greater value per dollar can be given this way. And if, through our assistance, you can do any of these, our job is well done.

The London Assurance is making a study of local agency practice with an eye to helping its agents toward more productive business time. The results of this study will appear, from time to time, in booklet form. The first of the booklets, fresh from the press, is "The Insurance Survey, A Selling Tool." While it was prepared for our own field force, any member of the American Agency System is welcome to a copy. Won't you send for yours now?

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LONDON ASSURANCE
Corporation**

150 William Street, New York

Tested by Fires of Three Centuries

AS SEEN FROM CHICAGO

INSURANCE FOURSOME WINS

Four Chicago insurance men captured the prize for the best foursome in the annual "Auchtermuchty" of the Oak Park Country Club. The foursome consisted of R. I. Read, manager brokerage department Crum & Forster; P. B. Hosmer, R. W. Hosmer & Co. and president of the Chicago Board; E. L. Richards, branch secretary National Automobile Underwriters Association; W. M. Murray, Jens, Murray & Co. In addition, Mr. Murray won the prize for 54 holes low gross in class C. Mr. Read is president of the Oak Park Country Club.

STAFFORD PLANNING JUBILEE

John F. Stafford, western manager of the Sun, is chairman of the committee in charge of the silver anniversary jubilee of the Illinois Blue Goose which is to be held Oct. 26 in the Hotel La Salle. Mr. Stafford and his associates will make arrangements for a banquet and entertainment. The grand next meeting in Milwaukee, which was a silver anniversary occasion, showed the Blue Goose to be enthusiastic and vigorous and leaders in the Illinois pond are eager to make the 25th anniversary celebration of the largest unit in the order a memorable event.

Other members of the committee are

INSURANCE STOCK QUOTATIONS

By H. W. Cornelius & Co., 105 South La Salle St., Chicago, as of Sept. 21

Stock	Par	Div. per Share	Bid	Asked
A. Lincoln Life	20	1.60	37	...
Aetna Cas.	10	1.60	55	60
Aetna Fire	10	2.00	33	35
Aetna Life	10	1.20	34	36
Agricultural	25	4.00	85	90
Amer. Alliance	10	1.60	17	19
Amer. Equitable	5	1.20	6 1/2	7 1/2
American, N. J.	5	1.00	12	14
Amer. Surety	25	4.00	29	33
Automobile	10	1.00	20	23
Baltimore Amer.	5	.80	6 1/2	7 1/2
Bankers & Ship.	25	3.50	92	102
Boston	100	16.00	375	400
Brooklyn	5	1.20	5	6
Carolina	10	1.50	16	18
Gen. Life, Ill.	20	.80	28	32
City of N. Y.	100	16.00	165	190
Contl. Assurance	10	*2.00	55	57
Continental Cas.	10	*1.60	19	21
Continental	10	2.40	25	27
Federal Life	10	1.00	13	16
Fld.-Phenix	10	2.60	27	29
Fire Assn.	10	1.60	13	15
Fireman's Fund	25	5.00	75 1/2	78
Fireman's F. Ind.	...	...	25 1/2	29
Firemen's	10	2.20	...	...
Franklin	5	1.60	17	19
Glens Falls	10	*1.60	34	38
Globe & Rutgers	100	24.00	290	320
Great Am. Fire	10	1.60	15	17
Great Am. Ind.	...	...	...	...
Great Lakes	10	1.00	...	10
Halifax Fire	10	1.20	13	15
Hanover	10	1.60	17	19
Harmonia	10	1.80	16	18
Hartford Fire	10	2.00	44	46
Home F. & M.	10	2.00	29 1/2	32
Home, N. Y.	10	2.00	20	22
Homestead	10	1.30	14	16
Ins. Co. of N. A.	10	*2.50	39	41
Linc. Natl. Life	10	*2.50	30	35
Missouri St. Life	10	1.20	10	12
National Cas.	10	1.20	14	16
National Fire	10	2.00	42	45
National Liberty	5	.50	4 1/2	5 1/2
National Surety	10	2.00	20	21
National Union	100	...	55	62
New Brunswick	10	1.80	16	18
New Hampshire	10	2.00	...	45
No. Amer. Life	5	1.00	15	17
Northern, N. Y.	25	4.00	55	62
North River	10	2.00	20	23
N. W. National	25	5.00	92	100
N. W. Natl. Life	...	...	11	13
Occidental	10	...	17	20
Ohio Natl. Life	10	1.25	25	30
Old Line Life	10	1.50	20	22
Pacific Mut. Life	10	2.40	50	51
Peoples National	5	.50	3 3/4	...
Phoenix, Conn.	10	2.00	46	48
Prov. Wash.	10	2.20	32	34
Rossia	10	2.20	12	14
Springfield	25	4.50	85	91
St. Paul F. & M.	25	6.00	140	150
Sun Life	100	25.00	400	500
Travelers	100	*22.00	590	615
U. S. Casualty	25	4.00	30	36
U. S. Fire	10	2.40	31	35
U. S. Mer. & Sh.	100	16.00	160	200
Westchester	10	*2.50	24	28

*Extra dividend paid.

W. J. Sonnen, St. Paul F. & M.; Lea Lewand, Western Adjustment; C. J. Lingenfelder, American Fore; A. J. Meyer, Automobile of Hartford; R. W. Tapper, Rhode Island; R. F. Woltersdorff, Atlas; A. C. Wallace, New Hampshire; J. T. Harding, Millers National, who is most loyal gander, and P. J. V. McKian, Western Actuarial Bureau, who is wielder.

BLAIR, HAILAND NOT MOVING

It was erroneously reported last week that C. B. Blair and A. G. Hailand were opening new offices in the Insurance Exchange building. Mr. Blair and Mr. Hailand are quartered at 164 West Jackson boulevard.

BURGSTER RESIGNS

Nathan G. Burgster has resigned as superintendent of schedules for the Western Actuarial Bureau in Chicago, a position he has held for the past thirteen years. Prior to his association with the Western Actuarial Bureau Mr. Burgster was for a number of years with the General Inspection Bureau at Minneapolis, and was for a time with the Minnesota insurance department as state rater. He has a broad understanding of rating problems.

Mr. Burgster has evolved a new schedule for rating fire hazards which he is now bringing to the attention of the Eastern fire insurance executives.

HAIL BUREAU TO MOVE

The Rain & Hail Insurance Bureau which has jurisdiction over the hail and rain departments of the Aetna, North America and Springfield fleets, of which James B. Cullison, Jr., is manager, will move Sept. 30 from the location at 844 Rush street, Chicago, where it has been for some time, to offices in the McKinlock building, 209 West Jackson boulevard. The bureau had offices in the McKinlock building about five years ago.

SPECIAL RISK GROUP TO MEET

The first meeting of the fall season of the Western Conference of Special Risk Underwriters will be held at 10:30 a. m. Oct. 2 in the Chicago Board auditorium.

ELMER F. DAVIS

Elmer F. Davis, formerly superintendent farm department, Westchester in Chicago, who left the farm field a year or so ago to associate himself with the Penn Mutual Life in a managerial capacity, will again enter the farm business in western department territory. He will return to Chicago Oct. 15 and will be identified with the farm department of the America Fore companies. The exact assignment of Mr. Davis in this organization has not been announced, but it is probable that he will have charge of an important field in a state adjacent to Chicago.

Mr. Davis has been and is now acting as manager for the Penn Mutual Life for the states of Arizona and New Mexico, with headquarters at Phoenix, Ariz. While in western farm territory he was recognized as a careful and capable underwriter and was especially active in the field of farm fire prevention. He has many friends in the central west who will be pleased to hear of his contemplated return.

CRITICISES SPRINKLER RULES

Rules and specifications for installing automatic sprinklers are inadequate, J. H. Brumbaugh, sprinkler engineer Western Actuarial Bureau, stated at the first fall meeting of the Association of Fire Insurance Examiners. He said tests made in Tennessee in 1923 and others by the Underwriters Laboratories in 1926 show the schedule for type, spacing and size now used is inadequate. The only change in rules approved by

the National Board and National Fire Protection Association as a result of these tests, he said, was an increase in the requirements for minimum water pressure at the entrance to a sprinkler branch from 10 to 12 pounds, and to permit a degree of staggering. Mr. Brumbaugh said the tests show that the present rules provide for contents primarily and the rules for type and sprinkler-head spacing do not protect against fires that get into combustible ceilings. He urged frequent tests of dry pipe systems.

Out of 19,000 reports received and compiled by Mr. Brumbaugh for the National Board since March 1, there have been noted 150 failures of dry pipe systems. He said fire examiners should be especially careful in underwriting lines where special rates for sprinkler equipment are to be granted and he warned the examiners to obtain thorough information. Mr. Brumbaugh made the prediction that a change in the pipe system would be made before long.

LEAGUE SEASON IS ENDED

The Beard Insurance Agency, Insurance Exchange, won first place, losing only two games out of 18 played in the Insurance Exchange Indoor Baseball league, which has just ended its first season. A dinner was held the evening of Sept. 17 in the Morrison hotel,

at which a 25-inch silver cup put up by the league was presented to the Beard team, J. S. Beard, vice-president of the Beard agency, officiating. Elmer Weber, Great Lakes, league president, presided. The Great Lakes team was second with 14 won and four lost, and also won a cup; the Providence Washington won third place and a cup with 14 games won and five lost, and the North British fourth with 13 won and six lost. Members of the first three teams also won baseballs.

Finances Under Merger

In a statement of its condition following the merger of the Commonwealth Casualty of Philadelphia, the Independence Indemnity shows assets amounting to \$13,849,587, with liabilities totaling \$10,599,587, giving a surplus to policyholders of \$3,250,000, of which \$1,000,000 is capital and \$2,250,000 net surplus. The statement sets forth the future policy of the company under the direction of Carl M. Hansen the controlling financial factor. J. Horace Shale is president of the combined company. With the reorganization of its finances and its surplus strengthened, the company now is in splendid condition. Its officers are experienced and the agency plant is familiar with the company's methods.

WELCOME

AGENTS that visit the Home Office of the Kansas City Fire and Marine are astounded at the friendliness and spirit that pervades. There are no doorways marked "Private — Keep Out." There is, however, on the door of each private office above the name of the executive who occupies it—the word "Welcome." This greeting found in such an unusual place makes a profound effect. It is only characteristic of the entire organization.

The men who guide the Kansas City Fire and Marine have all been successful local agents with the well known agency of R. B. Jones & Sons, Kansas City. They know from actual experience what appeals to local agents and consequently in the Kansas City Fire & Marine have strived to build up a company that is really an agent's company. The success of their building is reflected in the satisfaction of the agents now representing this Kansas City company.

Organized and managed by R. B. Jones & Sons, Kansas City, Chicago

Kansas City Fire and Marine Insurance Company

Chicago, Ill.
Insurance Exchange

Kansas City, Mo.
Federal Reserve Bank Bldg.

THE NATIONAL UNDERWRITER

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C. M. CARTWRIGHT, Managing Editor
LEVERING CARTWRIGHT, Asst. Managing Editor
FRANK A. POST, Associate Editor
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PUBLICATION OFFICE, 41946 Insurance Exchange, CHICAGO. Telephone Wabash 2704
CINCINNATI OFFICE, 420 E. Fourth St., Telephone Main 5781. RALPH E. RICHMAN, Manager
ABNER THORP, JR., Director Life Insurance Service Dept.

NEW YORK OFFICE

803-123 William St., Tel. Beekman 3-3958
GEORGE A. WATSON, Associate Editor

DETROIT OFFICE

1015 Transportation Bldg., Tel. Randolph 3994
J. A. PETERS, Resident Manager

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204 Atlanta National Bank Building
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NEW ENGLAND OFFICE

139 Summer St., Weymouth, Mass., Tel. Weymouth 2158-R. J. M. DEMPSEY, Resident Manager
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Associated
Business Papers



National Publishers
Association

Entertainment at Conventions

It is a pleasing feature of American civilization that people are boosters for their home towns and localities. This patriotic, local pride is found everywhere. When SINCLAIR LEWIS' "MAIN STREET" made its appearance it created a furore because hundreds of readers felt the author was ridiculing the smaller places and perchance their very own. A citizen may make a disparaging remark about some foible of his community and it may find sympathy. Let some outsider make a similar observation and he is anathematized.

A convention goes to a city. The local people above all else want the visitors to get a fine impression. Hospitality is abundant and various forms of entertainment are provided. If the gathering is a small one, the burden of expense and the sacrifice of time and energy on part of the hosts are not heavy. Even a few years ago, insurance conventions of national scope did not tax the home folks so much because the number attending was not large.

Now the times have changed. National conventions are far bigger and the attendance has vastly increased. Indeed only a comparatively few cities have the facilities for taking care of a really large meeting.

Rivalry has entered in some respects into elaborateness of entertainment. Various cities vie with one another. The fact is entertainment and hospitality have become a real financial tax on the local fraternity. Some organizations have appreciated this and hence have a permanent meeting place with the injunction that entertainment is tabooed. Witness the big insurance week in New

York City every December, the NEW YORK STATE ASSOCIATION of LOCAL AGENTS which always meets in Syracuse. Some conventions go to a so-called resort hotel where there are none to receive. For example the casualty folks meet at White Sulphur Springs every year where every one pays for his own entertainment.

As a matter of fact, the local hosts for the most part do not realize the cost of entertainment until the bills are audited. Then it is found that during the enthusiasm of convention week, the extras have added greatly to the outlay. More and more do these entertainment demands multiply. Local entertainers are forced to contribute liberally or be banned. In some cases where the local resources are too meager, an appeal is made to companies by their agents to contribute. That of course leaves a bad taste at company headquarters and it is embarrassing to decline where a profitable office makes the appeal. If local entertainment could be limited, the financial demands would not be heavy but all efforts at restriction have failed.

We understand the AMERICAN LIFE CONVENTION may select a permanent meeting point with all local entertainment debarred. Other big organizations may do likewise in order to eliminate entertainment expense. It is unfortunate that the local demands can not be minimized because for many people the convention medium is only one through which they see their country and know other cities.

Local entertainment has been abused and exaggerated. The demand is entirely too heavy. Some reform is certainly needed.

Worth More, Worth Less or Worthless

DR. W. A. GRANVILLE of the WASHINGTON NATIONAL of Chicago, philosopher and scholar, in one of his famous epigrams says, "Any employe can make himself

worth more, worth less or worthless." After all, it is up to the person to carve out his own destiny and to make his own fate.

PERSONAL SIDE OF BUSINESS

George W. Briggs, who now resides in Los Angeles and is an adjuster in the Insurance Exchange building in his city, greeted old time friends at the meeting of the National Association of Insurance Agents. Mr. Briggs formerly traveled in the field both in Illinois and West Virginia. He is the son of the late N. E. Briggs, for many years Illinois state agent of the North British & Mercantile. Another former Chicagoan who attended the Los Angeles convention now residing in that city was Harry M. Wells, who one time was an adjuster in Chicago.

R. K. Walker, Walker Insurance Agency, Louisville, and brother of C. B. Walker of the Kentucky Actuarial Bureau, Louisville, is gravely ill, suffering from premature hardening of the arteries.

The gravure section of the New York "Herald-Tribune" contains an excellent photograph of Thomas Gallagher and Dr. B. P. Andrews, as they appeared at the 50th anniversary of the first chapter of the American Red Cross, formed at Dansville, N. Y., in 1881. Mr. Gallagher was New York state agent for the Continental at the time and subsequently for a number of years prior to his retirement was western manager for the Aetna. A son, Vincent L., is secretary of the America Fore companies, having followed his father's example and entered fire underwriting after graduation from college. Incidentally, Doctor Andrews, a fellow townsman of the Gallaghers, was master of ceremonies when young Vincent was ushered into the world.

Henry B. Lamy, Jr., vice-president Pacific Fire and other companies in the C. V. Meserole fleet, has been appointed executive chairman of the division of commerce and industry of the Emergency Unemployment Relief committee. The division plans to organize New York business and trade into 80 committees for the purpose of raising funds to relieve distress.

John N. Lewis, Oklahoma state agent for the Firemen's group, was seriously injured in an automobile wreck last week while riding a bus near Seminole, Okla. The bus was hit by another car, and the rear end, in which Mr. Lewis was seated, almost demolished. The most serious injuries were sustained in the hip, although he received several other minor ones. Mr. Lewis formerly was state agent for the National Union Fire.

J. C. Howard, assistant manager Pacific American Fire, is on a tour visiting general agents.

T. J. Brownfield, for a number of years general manager of the Union Fire of Nebraska, who later engaged in similar work in Wyoming, died recently, at the age of 78.

J. E. Muller, well known independent adjuster of Jersey City, N. J., died recently at his home in Ridgewood, N. J. He was the founder of the agency of John E. Muller & Son of Jersey City. In 1879 he joined the State Fire of Jersey City and later formed a partnership under the title Reid & Muller. In 1897 he took his son into partnership under the title, John E. Muller & Son. In 1914 Mr. Muller withdrew to engage in adjusting work.

H. P. Jackson, president of the Bankers Indemnity, is on a business visit in the middle west, where he is stopping, among other places, at Chicago, Cleveland and Milwaukee. In Chicago Mr. Jackson met Paul Sommers, vice-president of the American of Newark, who is an associate. Together with H. G. Magargal, Jr., resident vice-

president in Chicago for the Bankers Indemnity the group visited friends in that city. Mr. Sommers was en route to the coast to attend the annual meeting of the National Association of Insurance Agents and had been at Rockford, Ill., the western headquarters of the American, where Robe Bird has just been installed as manager.

J. Heber ("Happy Hour") Hudson, prominent humorous after-dinner speaker, died Sept. 21 at his home in Chicago. Mr. Hudson was well known to insurance audiences throughout the middle-west, and has been on meeting programs of the Illinois Association of Insurance Agents. He was secretary of the department of mercantile affairs, Illinois chamber of commerce.

Maj. B. N. Carvalho, president Fire Reassurance and Metropolitan Fire, as well as an official of the Rossia, is a fast traveler and a hard worker, for he believes in conserving time in every possible way. In his journeys about the country he frequently uses airplanes in preference to railways. A short time ago he made the air journey from San Francisco to Hartford in 22 hours. Major Carvalho is fond of the great outdoors, and such time as he can spare from his office is usually spent on his Montana ranch.

B. L. Hewett, Jr., special agent of the Boston and Old Colony and son of B. L. Hewett, manager of the western department, again demonstrated his golfing skill Sunday when he won the Lansing, Mich., city championship for the third consecutive year. Mr. Hewett, who is considered one of the leading left-handers in mid-western golf circles, had little difficulty in disposing of his opponent, Louis Wendrow, a high school phenom, 6 and 4 in the finals, played over the difficult Groesbeck municipal lay-out.

Charles K. Foote of the Biting & Foote Agency, Wichita, and president Kansas Association of Insurance Agents, has taken on a nickname of "Slippery" Foote. It seems that Mr. Foote was appointed foreman of an outfit of the "Outlaw Range" of cowboys who are one of several groups conducting a membership drive for the Wichita Y. M. C. A., and thus acquired his nickname.

F. W. Bruns, president Excelsior Fire of Syracuse, has a distinct advantage over his associate members of the Eastern Underwriters Association in considering field problems, in that he is both a company executive and a local agent and has the viewpoint of each. As head of the aggressive Syracuse agency of Bruns, Raleigh & Munns, he is vitally concerned in all that makes for the welfare of the men on the firing line and in company conferences is able to give his managerial conferees a close-up as to how any proposed legislation would affect the agency force. President Bruns was among those attending the recent meeting of the Eastern Underwriters Association at Manchester, Vt.

R. B. Jones of R. B. Jones & Sons, Kansas City, Mo., returned last week from a summer's trip in Europe.

B. J. Kellner, special agent Phoenix Assurance in southern California for the past 18 years, passed away at his home in Los Angeles last Saturday at the age of 48. He had resided in California for 20 years.

The first issue of the new "Mountain States Insurer," published in Denver by L. F. Scarboro, is out. It is to be published the 15th of each month in the interest of life, fire and casualty insurance in the Rocky Mountain area. Mr. Scarboro is also publisher of the "Mountain States Banker."

“STRENGTH LIES IN DEEDS NOT SIZE”



Photograph Courtesy Chicago Historical Society.

Amidst a storm of cannon shot Sergeant William Jasper leaped outside the walls of Fort Moultrie during the attack of June 28, 1776, replaced the American flag which had been shot away, and returned to his post uninjured.

A MAN of fearless courage, Sergeant Jasper did not hesitate even at the height of battle to risk his own life in order that the flag he served under would again whip to the winds. For this brave feat Governor Rutledge presented Jasper with his own sword.

Neither does the Eureka-Security Fire and Marine hesitate to give that extra bit of attention which makes satisfied agents and policyholders everlasting friends. 67 years of service has built this organization to occupy a foremost position among insurance companies who are able to write all forms of fire and casualty insurance.

The Eureka-Security Fire and Marine Insurance Company

Established 1864

Cincinnati Underwriters
CINCINNATI, OHIO



“THE COMPANY THAT KNOWS WHAT TO DO FOR ITS AGENTS AND DOES IT”

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

Auto Exchange Advertises

Twelve Representatives Now Selling Insurance—Reinsured in Strong Company

The Cincinnati Automobile Club Insurance Exchange is now advertising in the Automobile Club magazine the names and addresses of 12 district representatives who are selling insurance for the exchange. The advertisement declares that those who insure with the club "get the highest quality coverage obtainable, backed by one of the strongest, richest reinsuring companies in the United States."

The advertisement says that the insurance plan is brought to members of the club "through the efforts of the trustees of your club who serve without compensation." No mention is made of the fact that some officers of the Cincinnati Automobile Club are also officers of the company in which the insurance is written.

The Ohio attorney-general has not yet rendered his revised opinion on the application of the Motorists Mutual for a license for the Cincinnati Automobile Club Insurance Exchange of Cincinnati to write automobile business. The attorney-general and his aides have been busy with the bank situation in Toledo, but it is expected that the opinion will be handed down before long.

L. A. Finch Succeeds Toole

Louis A. Finch, who has been associated with the Underwriters Adjusting

for about eight years and is now connected with its Cleveland branch, has been named to take charge of the Cincinnati office to succeed W. J. Toole, Jr., who has just resigned. Before joining the Underwriters Adjusting, Mr. Finch had about ten years' experience in various positions with insurance companies. He has the reputation of being a capable adjuster and is well liked.

Under-Insurance Prevalent

Under-insurance of mercantile stock is more prevalent at this time than has been known to the present insurance generation, according to observers in Ohio. The assured is depending to a much greater extent than usual upon self insurance. It is a frequent occurrence to find a \$10,000 stock with insurance covering only to 40 percent to 50 percent of value. Lowering the coverage has had a stimulating effect on bringing about better care of property. Owners themselves frequently check the closing up operations or perform them.

Ohio Notes

The Fire Prevention Association of Ohio will inspect Geneva, Oct. 8 and Sandusky, Oct. 15.

J. J. Conway, superintendent of the Cincinnati Salvage Corps, underwent a major operation last week. Captain Conway was on the operating table for more than an hour. The surgeon used only local anaesthetics. The captain withstood the operation well though he is not beyond the critical stage.

CENTRAL WESTERN STATES

Bank Is Quitting Insurance

Fidelity Bank & Trust Company, Detroit, Abolishes Department—H. L. Newnan Scores Victory

DETROIT, Sept. 23.—The Fidelity Bank & Trust Company here has discontinued its insurance department and T. S. Clayton, president, has gone on record as definitely opposing the handling of insurance by banking institutions, says H. L. Newnan, vice-president Detroit Insurance Agency, director of the Detroit Association of Insurance Agents and chairman of a special committee on bank and trust company relations of the organization.

Mr. Newnan's accomplishment was hailed with delight by the members of the Detroit board, and when the news was conveyed to the Michigan Association of Insurance Agents, that body passed a resolution commending the trust company for taking this stand, sending a copy to Mr. Clayton. George Carter, president Detroit agency, conveyed a copy to the National convention in Los Angeles.

Competition Unfair

When the injustice of insurance soliciting by banks and trust companies was brought to Mr. Clayton's attention, he agreed that the competition was unfair and immediately gave orders to abolish the insurance department of the institution. Then he wrote this letter to the Detroit Association of Insurance Agents:

"Confirming my conversation with you, please be advised that the Fidelity Bank & Trust Company or any employee will not engage in the insurance business,

directly or indirectly, in any manner whatsoever.

"We are of the firm opinion that there is ample scope for all our energies and abilities in the trust and banking business and that it is inadvisable for us to at any time consider engaging in any activities whatsoever outside our own well defined sphere."

Cary Awarded Big Contract

Head of Michigan Insurance Agency Gets Cover on Detroit Lighting Commission Plant

Walter Cary, president of the Michigan Insurance Agency, has at last been granted the \$6,000,000 coverage of breakdown insurance on the Mistersky plant of the public lighting commission in Detroit, which has been carried by him on a binder for nearly a year while the lighting commission and the city council have fought over who was to be awarded the contract.

Originally 69 agents bid on the business which had been carried by the Columbia Casualty, represented by Mr. Cary, for several years. A special session of the council was called last Friday to award the insurance, since otherwise the city would be penalized the interest on the premium for the past year while the fight has been in progress.

Mr. Cary has posted a bond with the city corporation counsel guaranteeing a saving of \$1,348 over what any other company could write the business for.

The long delay has been due to politics, since Mr. Cary was opposed to the present administration. Other agents took advantage of this situation to bid for the insurance, and, according to

councilmen threatened reprisals at the November election if the business were awarded to Mr. Cary. The Columbia Casualty will receive \$10,442 on the binder since Sept. 20, 1930, and \$39,908 for the new three-year policy.

Quincy Board Outing

QUINCY, ILL., Sept. 23.—The annual golf tournament and frolic of the Quincy Board of Fire Underwriters was held last week. Prizes were awarded at the dinner at which V. G. Musselman presided. Don Binkert with a net score of 71 won honors of the tournament; Louis Fuelbier winning the prize for the highest score, a card of 171.

Three Agencies Incorporated

Three new agencies have been incorporated in Michigan: Fred's Agency, 1417 Penobscot building, Detroit, by H. S. Needle, Maurice Morse and R. M. Rosenzweig. The Olmstead Agency, Kalamazoo, by F. R. Olmstead, D. S. Bloom and M. B. Olmstead. The Best Realty Co., 6521 Second boulevard, Detroit, by T. H. Welch, H. J. Welch and R. J. Welch.

Uncover Auto Club Racket

LANSING, MICH., Sept. 23.—A new "auto club" swindle has been uncovered in Detroit. Roderick and Frederick Verbane, brothers, are charged with having collected \$24.50 membership fees from numerous persons in the southern counties of Michigan for highly questionable services of the North American Automobile Association, Toledo,

and an insurance policy that is nothing more than the type of limited accident policy peddled by newspapers as circulation bait. Prospects were told that the insurance would be placed with the Capital Mutual Casualty, Columbus, O. However, neither the insurance carrier, a small outfit reported to have less than \$10,000 assets, or the automobile club are admitted to Michigan.

Indiana Agents to Meet

INDIANAPOLIS, Sept. 23.—President F. A. Telford has announced that the Indiana Association of Insurance Agents will hold its annual convention in Lafayette late in October. The exact date remains to be set. Prominent leaders in the field of casualty and fire insurance will be present to discuss problems of the business.

Allison Opens Office

J. L. Allison, for seven years claim manager of the Atlas Casualty, has opened an independent adjuster's office at 1205 Old-First National Bank building, Fort Wayne, Ind., and will handle automobile as well as other casualty lines. His office will service northeastern Indiana and northwestern Ohio.

Mutual to Celebrate Anniversary

LANSING, MICH., Sept. 23.—The golden anniversary marking the 50th year since the founding of the Michigan Millers Mutual Fire of Lansing is to be celebrated Oct. 29. It is headed by Arthur D. Baker, who has been with the organization for 47 years.

STATES OF THE NORTHWEST

State Fund Idea Growing

Company Officials and Agents Face Prospect of Many Dangerous Bills in Wisconsin

MILWAUKEE, Sept. 23.—Mutual and stock fire, casualty, surety and life companies and their representatives in Wisconsin are becoming alarmed over the increasing tendency toward state interference in business. The Wisconsin Mutual Alliance reported the largest single amount for lobbying purposes during the 1932 session of the legislature.

In addition to having state fire and life funds, public high-schools in Wisconsin which are members of the Wisconsin Interscholastic Athletic Association are now underwriting hazards to students who take part in association games. Benefits paid out under this system during the school year 1930-1931 amounted to \$6,000. A Milwaukee insurance man comments that this bears out the contention of Dr. S. S. Huebner of the University of Pennsylvania, that educators in high schools and colleges are far from being well informed on the subject of insurance and need much more information.

With the special session of the 1931 legislature getting under way soon, with a strong move for unemployment insurance to be made by labor interests, Milwaukee insurance leaders are urging that all insurance men be on the alert and ready to come forward to defend their interests.

Wisconsin Committee Named

MILWAUKEE, Sept. 23.—The Wisconsin State Fire Prevention Association, which is opening its activities program for the ensuing year, has announced the personnel of the executive committee: C. A. Lofgren, Security of Iowa, arrangements; A. L. Telin, North-

ern, public buildings; A. L. Thompson, Springfield, Boy Scouts; B. F. Lutz, London & Lancashire, law and ordinance; H. C. Busack, Norwich Union, public relations; R. L. Nicholson, Michigan Fire & Marine, speakers; F. R. Daniel, Wisconsin Inspection Bureau, fire protection and electrical work; F. M. Dittmer, Aetna, farm fire prevention.

Report on Minneapolis

MINNEAPOLIS, Sept. 23.—National Board engineers have reported on Minneapolis. Fire losses in Minneapolis during the last five years totaled \$7,488,783, the annual losses varying from \$1,258,661 in 1929 to \$1,661,854 in 1928. The annual average number of fires is 1,681 with an average loss per fire of \$891, a low figure. The average annual number of fires per 1,000 of population was 3.74 and the average per capita loss was \$3.33, both moderate figures. The engineers found the water supply both adequate and reliable.

South Dakota Meeting

The Fire Prevention Association of South Dakota will hold its annual meeting at Watertown, Oct. 6. The name of the organization will be changed at that time to the State Fire Prevention Association of South Dakota.

Park Probable Choice

It is understood that C. M. Park of Madison, Wis., probably will be the fire insurance rater for the Wisconsin state insurance commission, a position provided for under revision of fire insurance laws by the 1931 legislature. Mr. Park was recently examined for the position and passed.

Milwaukee Board to Meet

The annual meeting of the Milwaukee Board will be held Oct. 14. Three directors will be elected.

LOYALTY GROUP

TRUE OPTIMISM

True Optimism is Faith; Faith in Humanity; Faith in the Nation; Faith in its Institutions; Faith in Yourself; Faith in the Present; and Faith in the Future.

False Optimism is Hope based on Desire.

Pessimism is compounded of lack of Faith in all that True Optimism is founded upon, and is acknowledgment of unbelief in self, too often coupled with the wish to profit through the misfortunes of others.

History, that Just Judge of Humanity, reads the record and inexorably records the verdict.

The Verdict is, always has been, and always will be that True Optimism is justified and its results proven; that False Optimism cannot last because of its unsound foundation; and that Pessimism cannot prevail, but must ever fail because of its inherent untruth and viciousness.

History records that the world progressed, and was in every way better and more prosperous in the year 100 than in the year 1 A. D. History records that the world progressed, and was in every way better and more prosperous in the year 1000 than in the year 100 A. D. History records that the world progressed, and was in every way better and more prosperous in the year 1900 than in the year 1000 A. D., and History will continue to record the progress of the world, and this record will show the year 2000 in every way better and more prosperous than the year 1900 A. D. It is reasonable to believe, and it is wise to believe, and most people do believe that the year 1931 will be in every way better and more prosperous than the year 1930. Voice, therefore, your belief by word and act and aid it to come true in fullest measure.

Almost two thousand years ago a wise teacher and leader of men said:

"Now Faith is the substance of things hoped for, the evidence of things not seen".

Today Faith is as then. Today, as then, True Optimism is Faith. Thinking men must be and are True Optimists. That individuals have suffered misfortunes in the past and many have succumbed, and that individuals will suffer misfortunes in the future and more will succumb, cannot be denied, but such misfortunes, however hard for the individuals, are after all individual misfortunes and will not, in fact cannot stay the world march of progress and prosperity.

Do not be ashamed of your True Optimism, and do not be afraid to express it because you fear some pessimist may ridicule it and tell you that some day he will say "I told you so". Have courage and make known your True Optimism by voice and deed; make known your Faith in Humanity; make known your Faith in your Nation; make known your Faith in the Future; make known your Faith in Yourself; and make known your Faith that the tide has turned and that Prosperity has its hand stretched to knock at the door, and will surely enter if we but heed it, instead of harkening to cowardly fear.

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Newark, New Jersey

CANADIAN DEPARTMENT

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MASSIE & RENWICK, Ltd., Managers

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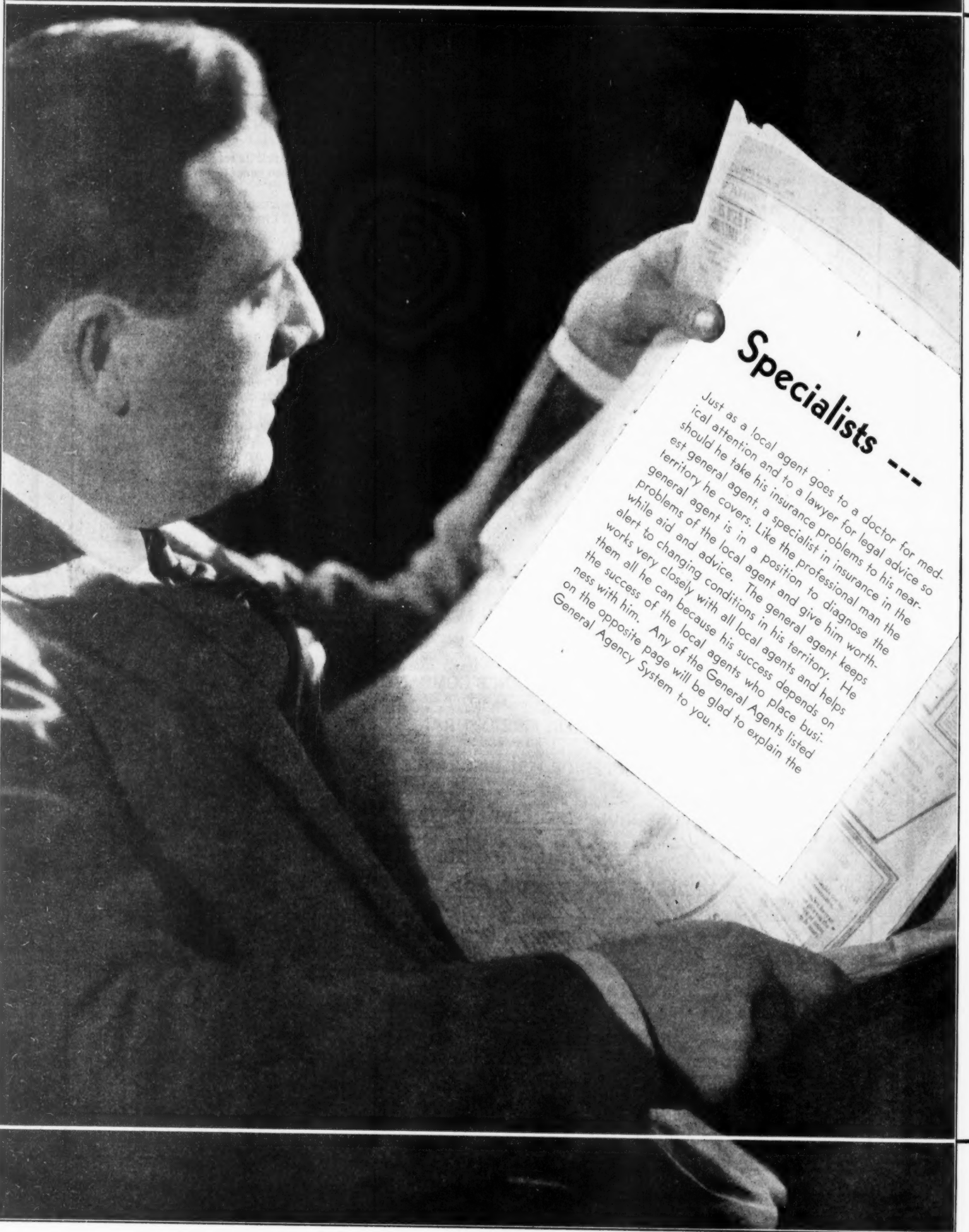
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W. W. & E. G. POTTER, Managers

Ass't Managers

JOHN R. COONEY CHAS. H. GATCHEL

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL



Specialists ---

Just as a local agent goes to a doctor for medical attention and to a lawyer for legal advice so should he take his insurance problems to his nearest general agent, a specialist in insurance in the territory he covers. Like the professional man the general agent is in a position to diagnose the problems of the local agent and give him worthwhile aid and advice. The general agent keeps alert to changing conditions in his territory and works very closely with all local agents and helps them all he can because his success depends on the success of the local agents who place business with him. Any of the General Agents listed on the opposite page will be glad to explain the General Agency System to you.

THESE GENERAL AGENTS DO NOT COMPETE WITH LOCAL AGENTS

ALABAMA

HURT & QUIN, INC.
Atlanta, Ga.

A. H. TURNER
Atlanta, Ga.

ARKANSAS

L. B. LEIGH & CO.
Little Rock, Ark.

COATES & RAINES
Little Rock, Ark.

TREZEVANT & COCHRAN
Dallas, Tex.

COLORADO

STANDART, MAIN & BREWSTER, INC.
Denver, Colo.

COBB, MILLER & STEBBINS
Denver, Colo.

REYNOLDS BROTHERS
Fremont, Neb.

FLORIDA

HURT & QUIN, INC.
Atlanta, Ga.

A. H. TURNER
Atlanta, Ga.

GEORGIA

HURT & QUIN, INC.
Atlanta, Ga.

A. H. TURNER
Atlanta, Ga.

ILLINOIS

FUNKHOUSER-SMITH, INC.
Springfield, Illinois

INDIANA

G. L. RAMEY AGENCY, INC.
Indianapolis, Ind.

IOWA

A. J. LOVE & COMPANY
Omaha, Nebraska

OLMSTED INC. AGENCY
Des Moines, Iowa

KANSAS

KANSAS UNDERWRITERS
Wichita, Kans.

MILLER-STUDEBAKER AGENCY
Topeka, Kans.

COBB, MILLER & STEBBINS
Denver, Colo.

T. W. GARRETT, JR., GEN. AGCY., INC.
Kansas City, Mo.

LOUISIANA

TREZEVANT & COCHRAN
Dallas, Tex.

A. H. TURNER
Atlanta, Ga.

STECKLER-WAGNER, INC.
New Orleans, La.

MICHIGAN

THE JAMES A. JONES AGENCY, INC.
Detroit, Mich.

MINNESOTA

E. M. ZUEL & CO.
Mankato, Minn.

ENCK & LINNELL, INC.
Minneapolis, Minn.

R. M. NEELY CO.
St. Paul, Minn.

MISSISSIPPI

A. H. TURNER
Atlanta, Ga.

STECKLER-WAGNER, INC.
New Orleans, La.

NORTH CAROLINA

A. H. TURNER
Atlanta, Ga.

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IN THE MISSOURI VALLEY

Absorbs St. Louis Adjusting

Western Adjustment Takes Over Firm
Operated by J. W. MacKay—Jones
to Be Manager

The Western Adjustment & Inspection has taken over the St. Louis Adjusting Company, operated for the past several years by J. W. MacKay and J. B. Ruthmeyer as an independent adjusting company in St. Louis and vicinity.

The consolidated office will be in charge of A. B. Jones, manager, with J. W. MacKay occupying the post of general adjuster. Mr. Keller, who is highly regarded by the Western, will be transferred to another field.

The absorption of this independent organization is an economic measure designed to reduce adjusting expense and promote efficiency in the St. Louis territory. The entire staff of the independent company, consisting of Messrs. MacKay and Ruthmeyer and Wallace A. Maxton, R. L. Filson and John C. Hertrich, are seasoned and efficient adjusters and will be utilized for needed replacements in the Western's St. Louis office.

Mr. Jones, who becomes St. Louis manager, was developed by the company's branch office system, having seen service at St. Joseph, Wichita, Springfield and Kansas City. He has been the general adjuster at St. Louis for the past several years.

Commissioner Hobbs Is on Kansas Association Card

Commissioner Hobbs of Kansas has been acquired as one of the speakers for the meeting of the Kansas Association of Insurance Agents to be held at Topeka, Oct. 15-16. Another speaker is to be T. N. Mulloy, manager of the motor carrier department of the Kansas Public Service Commission, who will discuss the laws passed at the last session of the legislature concerning common and public carriers.

The first day of the meeting will be devoted to a golf tournament and a smoker will be held that evening. The business sessions will start the second morning. There will be a dinner dance at the Topeka Country Club that evening.

Postpone Kansas Insurance Day

WICHITA, KAN., Sept. 23.—Kansas Insurance Day is to be postponed this year according to an agreement reached among the various insurance in-

New Wichita Hail Office Opened by America Fore

WICHITA, KAN., Sept. 23.—J. K. Nelson, manager of the America Fore's hail department, was here last week and arranged for the establishment of a Wichita hail department office at Room 1010 Central building.

Miss Alice Schlach, who has been associated with the hail department at Oklahoma City and Minneapolis, has been appointed office manager.

The new Wichita office is a consolidation of the former hail department offices at Oklahoma City and Topeka, Kan., and will handle Kansas, Oklahoma, Texas and New Mexico.

E. L. Herren continues in charge of Kansas as hail special agent and adjuster. Walker N. Moore, formerly in charge of western Kansas and Colorado, assumes charge of Oklahoma, Texas and New Mexico. Both will maintain headquarters at Wichita.

terests. Lawrence, Kan., had sought to hold insurance day there at the time of the annual meeting of the Kansas Association of Insurance Agents, which was to be held there, but that meeting has now been changed to Topeka and since Topeka entertained the Kansas Insurance Day two years ago, it was thought that another city would tend to spread interest in the insurance day movement. Also the general press of business on the part of all organizations interested has left little time to organize the movement this year and by common consent it will be postponed till next year.

Field Club Meets Again

WICHITA, KAN., Sept. 23.—The Central Kansas Field Men's Club resumed its regular weekly luncheon meetings here this week. It was voted to continue the student fire prevention speaking contest conducted among the public speaking departments of the two Wichita universities and four high schools. Winning speakers will be invited to speak before the various civic clubs and over the radio.

Work to Outlaw Fireworks

DES MOINES, Sept. 23.—Under the auspices of the Iowa Fire Prevention Association representatives of various civic bodies met here Monday to consider the campaign that is being waged to outlaw the sale and use of fireworks and other explosives. C. W. Borrett, secretary fire prevention association, announced that 28 towns and cities have passed ordinances prohibiting the storage or sale of fire works and in many other places municipal authorities are ready to act.

Storms Visit Iowa

DES MOINES, Ia., Sept. 23.—Numerous places in Iowa have been visited by terrific storms the past week. Wind, hail and lightning have wrought havoc in many sections. Live stock and poultry have met the greatest loss. Hail greatly damaged orchards as apples had not yet been harvested. Auto tops and broken windows made heavy demands in the adjustment of losses.

The Kansas City Cat's Meow will hold a stag dinner and initiation for new members about Oct. 1.

News of States in the Southwest

Oil Well Hazard Is Analyzed

Despite Preventive Measures, National Board Sees Probability of Blocks Being Involved

While expensive preventive measures greatly reduce the probability of fires in the oil fields of Oklahoma City, according to a report on the city just issued by the National Board, there is some probability, under unfavorable conditions, of groups or blocks of buildings being involved in an oil fire.

The National Board reports about 150 oil wells completed, being drilled or preparing to drill in Oklahoma City; connected with these are 71 crude oil storages averaging six tanks of 150 barrels capacity.

Several wells are within about 1,000 feet of the important wholesale and warehouse district, east of the congested value district, and a few are about 2,000 feet or slightly farther from the congested value district. Several isolated manufacturing risks have wells within 100 to 300 feet. In the southern part of the oil well locality many of the

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blocks are rather closely built with one story frame, shingle roof dwellings.

Many of the wells near the higher value districts are exceptionally large producers. Pressures are about 2,000 pounds per square inch when shut in and the daily production of a typical well is up to 40,000 barrels of oil and 30,000,000 cubic feet of gas.

"All practicable precautions," the National Board states, "are taken to prevent the uncontrolled flow of a well, but some probability of a well discharging freely and out of control still exists. Should such a well run wild and take fire, the heat radiated is sufficient quickly to ignite combustible material on the ground 100 yards or more distant. Should the gas and oil from such a well not ignite immediately, there is a probability that it would be ignited from very slight causes at distances up to about half a mile, depending upon the wind and other atmospheric conditions."

"Many wells and oil storages are located southeast of the city; in some of these, including several groups near the city limits, the local hazard is severe, but oil fires outside the city should not extend to important property within the city."

The water supply source of Oklahoma City is declared to be normally adequate, but insufficient to carry over extended dry periods; good quantities are available in congested value districts, but in many other districts the quantities are too small because of weak distribution system. The fire department is deficient in companies and undermanned. The fire alarm system is inadequate and little used.

The gross fire loss for the past five years was \$2,147,011 with the average loss per fire \$245, "a low figure," and the average annual loss per capita \$2.73, "a moderate figure."

Pattillo Now Sole Owner

Olin L. Pattillo has purchased the interest of M. Y. Goudelock in the Pat-

tillo & Goudelock agency of Dallas. He will operate as Olin L. Pattillo, general agent, representing the New Jersey, Pacific, Bankers & Shippers, Buffalo and American Colony.

West Sues Cravens, Dargan & Co.

DALLAS, TEX., Sept. 23.—Floyd West, head of the Floyd West general agency here, has obtained an injunction against Cravens, Dargan & Co., Houston general agents, prohibiting that concern from changing in any way its affairs pending a hearing Oct. 3 on a receivership he asked at the time the injunction was granted.

In the petition West alleged he owns a 3/24 interest in Cravens, Dargan & Co. When Cravens, Dargan & Co. bought the Marsh & McLennan interests West charges he was asked to go to San Francisco and remain until one of James Cravens' sons could acquaint himself with the business. He did this, but while he was away he alleges Cravens, Dargan & Co. alienated the business of the West agency in Dallas, and further, that when he returned the Houston members of the company, without his being present, met and decided that West should go back to a position on the Pacific coast while the Dallas agency remained in the hands of a man sent by the parent company, despite a written contract and agreement that he was to return to his Dallas agency when young Cravens was "broken into the general agency work."

Sponsors Essay Contest

Richey, Casey & Gregg, San Antonio, Tex., agency, is sponsoring another fire prevention essay contest among school children, which ends Oct. 10, the last day of fire prevention week. Several prizes are being offered.

The Loyd Judd Company, Little Rock, Ark., real estate and insurance agency, has been incorporated by Loyd Judd, J. L. Crank and Blanche Judd.

bureau extending water mains, installing hydrants, building additional fire stations, acquiring fire equipment, etc. Basis rates on frame dwellings in certain areas have been reduced approximately 40 percent. Dwellings already under full city protection have enjoyed a reduction about 7 percent. Brick mercantile basis rates were reduced 20 percent and frame mercantile 40 percent. Other classes of risks were reduced in about the same general proportion to their late levels.

To Survey New Orleans

NEW ORLEANS, Sept. 23.—A survey of fire protection and prevention facilities and insurance hazards will be made in New Orleans soon by the National Board. Rush P. Strong, manager Louisiana Rating & Fire Prevention Bureau said, following receipt of a letter from Bryson Vallas, superintendent of the sewerage and water board asking lower fire insurance rates because of improved pumping facilities.

New Federation Organized

J. E. McDavid, Sr., of Columbia, is president of the Insurance Federation of South Carolina, which has just been organized at a meeting in Columbia, attended by J. T. Hutchinson, secretary Insurance Federation of America. The

vice-president and general counsel is A. T. Tobias, Jr., Columbia; other vice-presidents are A. G. Furman, Greenville, H. S. Reeves, Charleston, John A. Law, Spartanburg; secretary and treasurer, J. M. Bigham, Columbia.

The directors are H. P. Moses, Sumter; R. M. Kennedy, Jr., Camden; J. L. Richardson, Lake City; J. H. Unger, Batesburg; G. W. Kinghorn, Beaufort; D. D. Magrath, Conway; M. M. Mattison, Anderson; R. B. Aileen, Columbia, and I. M. Lumpkin, Columbia.

Motor to Coast Convention

Three Mississippi agents motored to Los Angeles for the convention of the National Association of Insurance Agents. They are: Owen Palmer, Gulfport, president Mississippi association; J. S. Williams III, Yazoo City, national councilor, and Ramsey Roberts, Jackson, state secretary. They traveled the southern route and plan to return by the grand canyon.

Asks Driver's License Law

The Chattanooga Insurance Exchange has adopted a resolution favoring the passage of a driver's license law for the city and increasing of the speed limit from 15 to 30 miles an hour. J. B. Irvine, J. W. Oliphant, J. Mitt Payne and

IN THE SOUTHERN STATES

Raleigh Fire Record Is Bad

National Board Finds Loss Per Fire, Loss Per Capita High in Southern City

National Board engineers report the gross fire loss in Raleigh, N. C., for the last five years at \$940,222, with the average loss per fire \$1,297, "a very high figure," and the average loss per capita \$5.45, "a high amount."

The water supply is generally adequate and fairly reliable; generally good quantities are available in high valued districts, while mainly inadequate quantities are available in residential sections. The fire department is somewhat undermanned and only fairly well equipped. The fire alarm system is of proper type and fairly reliable.

In the principal mercantile district, structural conditions are mainly weak and fire fighting facilities are somewhat inadequate; these features render serious fires probable, due to low height, good accessibility and fairly wide streets, such fires should not extend beyond the block of origin. Only small group fires are probable in the minor mercantile districts. In the college and public institutional buildings, and in the few industrial districts, threatening fires are unlikely.

New Orleans Paper Demands Insurance Survey in City

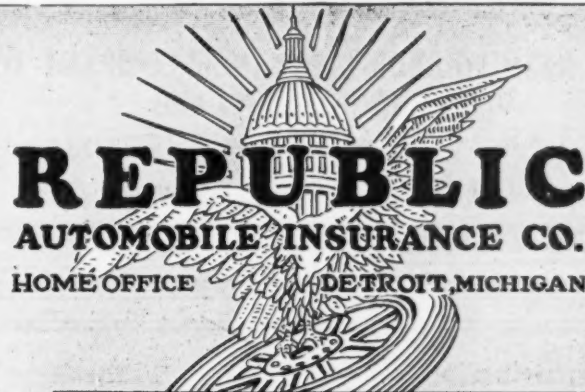
The New Orleans "Times-Picayune" recently printed an editorial, calling for a general survey of fire insurance rates in the city. The editorial contended

that the subject has been treated piecemeal, for instance one year the size of hose couplings being under consideration and the next the interchangeability of power for the pumping stations. "Our energies are bent to remedying this or that supposed defect," the Times-Picayune declared, "only to be told that something is just as bad or worse, and will have to be fixed before the cost of protection can come down." The paper asked that tables, estimates, comparisons be brought forth, vital conditions be remedied and trivial arguments discarded.

"Insurance in all its branches," the Picayune declared, "has grown too large and too impersonal to permit individual animus. An insurance company of today could no more set out to vent its individual spleen upon one minor set of interests than a modern army could take the field to kill a designated corporal in the enemy's ranks. This does not prevent abuses, and of course sometimes the corporal gets out in front of the trenches and is recognized. However, there is no outstanding reason the entire issue should not be brought into the open and settled. It can be done if New Orleans will organize its campaign thoroughly and then carry through."

Jackson Rates Are Cut

JACKSON, MISS., Sept. 23.—A reduction in fire rates for Jackson has been effective since June 1, according to L. T. Wheeler of the Mississippi Rating Bureau. The rates went into effect immediately following a survey by the National Board. The survey revealed that Jackson had advanced to third class. For several years the city administration has been cooperating with the



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Est. 1845

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OF NEW HAVEN, CONNECTICUT
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PARCEL POST SPRINKLER LEAKAGE USE AND OCCUPANCY
RIOT AND CIVIL COMMOION FUR AND JEWELRY FLOATERS
COMPLETE MARINE COVERAGE

THE
Pacific West Insurance Company of New Haven

CASH CAPITAL, \$1,000,000.00

OWNED AND MANAGED BY "Security"

WESTERN DEPARTMENT: ROCKFORD, ILL.

F. L. Gates were appointed a committee to present the resolution to the city.

Williamson Buys Interest

Joe A. Williamson, former special agent for the Cravens Dargan Co., has purchased an interest in the C. C. Chenoweth agency at Abilene, Tex., and is handling the insurance affairs of that agency. The new firm is known as the Chenoweth-Williamson agency and is located in the Citizens Bank building.

Fewer Richmond Fires

RICHMOND, VA., Sept. 23.—In spite of the general business depression, the number of fires and the amount of

fire damage in Richmond, Va., has fallen off decidedly during the last 12 months.

Tennessee Notes

The **Cumberland Agency**, Etowah, Tenn., has been sold to Shepard & Dunn.

C. H. Love, Tennessee commission of labor, has appointed Harry Avery, attorney, as chief investigator for the fire prevention department.

R. E. Lumpkins, Lawrenceburg, Tenn., has bought the interest of his partner, R. M. Crowder, in the Peoples Insurance Agency.

C. H. Tyrrell has moved his office from Sioux Rapids to Spencer, Ia.

ON THE PACIFIC COAST

Visitors in San Francisco

Many Officials Stop Over on Way to Los Angeles Convention—Beha Entertained; Confers

SAN FRANCISCO, Sept. 23.—San Francisco was favored with the visit of many company executives, state commissioners and agency officials Sept. 18 and 19, en route to the National Association of Insurance Agents convention at Los Angeles.

A party of commissioners arrived Friday evening and on Saturday were the guests of the Fireman's Fund on an all-day trip to Mount Tamalpais, just north of the city. The group also visited the famous redwood grove known as Muir woods and enjoyed a barbecue. F. J. Agnew, assistant secretary Fireman's Fund, was "pilot" for the party.

J. L. Case, former president National association, accompanied by Commissioner H. P. Dunham of Connecticut, arrived in San Francisco from the Commissioners' convention early Friday and spent the day sight-seeing and renewing old acquaintances. They left Friday evening for the Yosemite valley where they remained over the week end before proceeding to Los Angeles.

Among other officials who spent some time with company headquarters in San Francisco before the opening of the agents' convention were J. S. Phillips, president Great American Indemnity; L. F. Koppang, vice-president Union Indemnity; J. A. Beha, general manager National Bureau of Casualty & Surety Underwriters. Many passed through without registering their visit other than to phone local offices and suggest that the manager or general agent meet them in Los Angeles. As a result San Francisco's fire and casualty district was practically void of all executive talent after Saturday night.

Mr. Beha met with a group of casualty and surety company officials Friday evening and at noon Saturday he was tendered a luncheon by Joy Lichtenstein, Pacific Coast manager Hartford companies, which was attended by all of the other casualty men of the city. Monday he attended a conference with members of the acquisition cost conference, and a luncheon at noon. He left for Los Angeles Monday evening after three full days in San Francisco.

Richards & Rhorer in Charge

Succeed Watson & Taylor at San Francisco, Assuming Business and Entire Staff

The old general agency of Watson & Taylor at San Francisco, which has been a factor in California fire insurance for more than 30 years, has retired and has been succeeded by a new firm, Richards & Rhorer. The latter organization has taken over all of the companies, business and staff of Watson &

Taylor, the principals of which retired from activity in the insurance business several months ago.

Richards & Rhorer consists of Philip D. Richards and George O. Rhorer. Mr. Richards has been with the firm in the San Francisco head office for 15 years and Mr. Rhorer has been connected with the organization for more than 20 years. Both started in insurance at San Francisco. Mr. Richards with the late Archie Olds, then general agent on the coast for the Caledonian, while Mr. Rhorer started with the late C. C. Kinney, whose general agency several years ago was taken over by Marsh & McLennan.

Companies represented by Richards & Rhorer are the Car & General, Union of Paris, State Assurance, Provident Fire, Bronx Fire, New York-California Underwriters and William Penn Underwriters. Mr. Richards, president, is in charge of the head office and northern California business and Mr. Rhorer will continue his activities with headquarters in Los Angeles. William F. McKillop remains in charge of the automobile and casualty department.

Approve National Group Idea

San Francisco Brokers Exchange Sees Great Possibilities in Plan Emanating from Chicago

Interest has been aroused among brokers of San Francisco in the proposal of President F. P. Lavin of the Insurance Brokers Association of Illinois to organize a national association of insurance brokers, which would include the local brokers' organizations of Chicago, Massachusetts, New York and San Francisco.

The idea, contained in a letter sent by Mr. Lavin to the Insurance Brokers Exchange of San Francisco, was discussed by the governors of the exchange at a meeting. President C. H. Turner issued a statement that the governors heartily approved the idea and offer to lend cooperative effort to bring such an organization about.

"Our exchange has approved the plan," said President Turner, "and proposes with its membership totaling about 700 and with invested assets of \$100,000 to become active enough at home to merit recognition in the projected national organization. The Illinois body, the Insurance Brokers Association of Massachusetts, the New York Brokers' association and our own would form a group of four basic organizations to furnish a nucleus for the development of sound insurance principles to appeal to the fraternity as well as to the insuring public."

California Department to Investigate Auto Situation

LOS ANGELES, Sept. 23.—Investigation of a controversy between the Pa-

cific Coast Automobile Association and the Pacific Coast Insurance Association has been ordered by the California insurance commissioner following the receipt by the insurance department of numerous complaints by automobile owners holding insurance policies in the two organizations.

According to H. F. Risbrough, deputy commissioner at Los Angeles, who is in charge of the investigation, the controversy has left many automobile owners uninsured temporarily though they regularly have remitted their premiums. The insurance policies originally were purchased through the Pacific Coast Automobile Association, which placed the insurance with the California Highway Indemnity Exchange, whose business later was taken over by the Pacific Coast Insurance Association. The automobile association has asserted that all premiums received by it have been turned over to the two insurance companies. Recently, however, many policyholders were notified by the Pacific Coast Insurance Association that the policies had been canceled for nonpayment of premium. Deputy Risbrough announced the records of both companies are being studied in an effort to decide the controversy and that a report will be ready within three weeks.

Two Pamphlets Issued

The Fire Underwriters Association of the Pacific has just issued in pamphlet form two addresses delivered at the 55th annual meeting. One is "Rents, Rental Values and Leasehold Insurance," by H. B. Mariner, assistant manager Pacific department American of Newark and Rochester American. The other is by Frederic J. Perry, assistant manager Royal and Queen in San Francisco.

Open Investigation Service

SALT LAKE CITY, Sept. 23.—W. L. Payne, formerly a special investigator for the Department of Justice, has opened what will be known as the Insurance Intelligence Bureau with offices at 203-4 Boston building. The bureau will offer its services to life, fire and casualty companies in determining risks and in preventing fraud. Assistance will also be offered peace officers in investigating major crime. The personnel will include five men trained in special investigation work.

Hartford Makes Appointments

Stuart Abbott, special agent in San Francisco for the Hartford Fire, has been appointed manager of the city department, Joy Lichtenstein, Pacific Coast manager, announces. Mr. Lichtenstein also announces appointment of Earl Reed and George Crawford as

assistant superintendents of agencies. Sydney Aiken, veteran field man of California, was also appointed special-agent-at-large for the Hartford. He recently resigned from the Automobile of Hartford.

Announce Candidacies

A. M. Brown, Jr., junior member of the general agency of Edward Brown & Sons, San Francisco, and vice-president of the National Association of Insurance General Agents, announces his candidacy for supervisor of the city and county of San Francisco. He has been active in civic affairs for some years and occupies important positions in many organizations. Stephen A. Malatesta, broker connected with the Aetna Life office and a freeholder of San Francisco, has announced his candidacy for the same post.

Guests of Fireman's Fund

SAN FRANCISCO, Sept. 23.—More than 50 state insurance commissioners, their wives, organization heads and insurance journalists were guests of the Fireman's Fund at an all day motor trip on Sept. 19. Leaving San Francisco early in the morning the party arrived at the top of Mount Tamalpais for luncheon, followed by a trip through the famous Muir Woods. President J. B. Levison and Vice-President E. T. Cairns, assisted by other members of the Fireman's Fund "official family" were the hosts.

In a brief address President Levison urged his guests to carry home with them a message of optimism and encouragement and to take a leading part in every movement tending toward stability of business conditions. This was fittingly responded to by Commissioner C. D. Livingston, Michigan, and W. A. Tarver, Texas.

Blue Goose Meets Again

SAN FRANCISCO, Sept. 23.—Regular weekly luncheon meetings of the San Francisco Blue Goose were resumed Monday with N. H. Bell, special agent Provident Mutual Life, as speaker on "Mexico."

Coast Notes

President W. C. Leach of the Minneapolis Fire & Marine has been on a trip through the Pacific Coast territory for some days.

Mullin-Aetna Company, San Francisco general agency, will move to the new Mills Tower in San Francisco as soon as it is completed, probably about Oct. 1. The coast office of the American of Newark will also be located in that building.

IN THE MOUNTAIN FIELD

General Agents Elect Giberson

Mountain Association Holds Annual Meeting—Simonton Chosen Vice-President and Stebbins, Secretary—

DENVER, Sept. 23.—H. P. Giberson, mountain manager for the Citizens and American & Foreign, was elected president of the Fire Insurance General Agents Association of Colorado, Wyoming and New Mexico at its annual election Friday. L. H. Simonton, Braerton, Simonton, Brown, Inc., was named vice-president, and Raymond Stebbins, Mountain States Agency, is the new secretary and treasurer. E. M. Schrader, Mountain Finance Corporation, talked on financing insurance premiums on the installment plan. Some consideration was given the proposal to submit a report to the Supervisory Committee when the latter meets next month but this was not deemed necessary.

To Consider Farm Fire Losses

Supervisory Committee of Rocky Mountain Association Will Meet Oct. 5 at Colorado Springs

DENVER, Sept. 23.—The Supervisory Committee of the Rocky Mountain Fire Underwriters Association will meet Oct. 5 at Colorado Springs. An extensive report by Frederic Williams, secretary, will be heard and considered, it is expected.

Among questions likely to receive serious consideration are farm losses which have been foremost in local discussions for some time. When alarm was felt over increasing loss ratios in the mountain field a committee was appointed by the Mountain Field Club to study the application forms of the Pacific Coast and Texas, and consider their adaptability for the mountain field. The members of this special committee are H. A. Reynolds, chairman, B. M. McDonald and H. J. Helmkamp.



HOW DOES THE CO-INSURANCE CLAUSE OPERATE?

The previous issue of this series pointed out that the co-insurance clause requires the policyholder to carry adequate insurance or else become a co-insurer with the company, and pay a definite proportion of each loss. The clause provides that the company shall not be liable for a greater portion of each loss than the sum insured bears to () per cent of the actual cash value of all the property insured.

The percentage to be inserted in the parenthesis varies, but using 80%, the most common ratio, a loss of \$4,000 on property valued at \$10,000 but insured for \$5,000 would be adjusted in this manner:

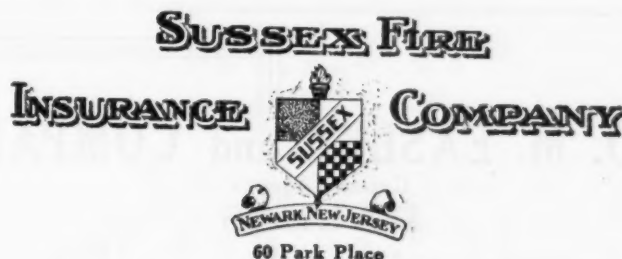
Property Value	\$10,000
Insurance required by 80% clause	8,000
Insurance actually carried	5,000 which
is only $\frac{5}{8}$ of the amount required by the 80% clause	
Amount of loss	4,000
Company pays $\frac{5}{8}$, or	2,500

It will be seen that as the amount of insurance approaches the value of the property insured, the ratio of the company's liability also increases. Had the policyholder in the above case carried \$8,000 insurance, his \$4,000 loss would have been paid in full.

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EASTERN STATES ACTIVITIES

Pennsylvania Agents Meet

State Association Convention to Be
Held at Wilkes-Barre, Oct. 15-16,
Secretary Burwell Says

Secretary Burwell of the Pennsylvania Association of Insurance Agents has issued a call for the annual convention to be held at Wilkes-Barre, Pa., Oct. 15-16. Registration desk will open at 7 p. m. the evening of Oct. 14 and the annual pre-convention meeting of directors will be that evening. Kenneth H. Bair, Greensburg, is president; J. W. Barr, Oil City, and W. R. Roberts, Bethlehem, vice-presidents; J. S. Burwell, Scranton, secretary; F. V. Rockey, Harrisburg, treasurer and F. D. Moses, Harrisburg, manager.

The convention will be strictly business convention with the exception of the banquet, which will be held the evening of Oct. 15. Commissioner C. F. Armstrong of Pennsylvania will attend as well as a number of prominent company officials and representatives of the National Association of Insurance Agents.

The convention will be held under the supervision of the Wyoming Valley Insurance Exchange, the Wilkes-Barre local board, which is headed by President S. K. Mitchell, Wilkes-Barre. All arrangements with the exception of the drawing up of the program will be in the hands of the local board.

Massachusetts Meeting Oct. 22

BOSTON, Sept. 23.—The annual meeting of the Massachusetts Association

of Insurance Agents will be held Oct. 22 in Boston. There will be a business meeting in the afternoon followed by a dinner and addresses.

Major Butler Joins Agency

BALTIMORE, Sept. 23.—Maj. H. C. Butler, former head of the Maryland state police, has returned to the insurance field. Major Butler, who was formerly connected with the Maryland Casualty's judicial bonding department, has become affiliated with the Riall-Jackson Insurance Company, of which Mayor H. W. Jackson of Baltimore is the directing head.

Erie Association Elects

E. L. Wadsworth is the new president of the Erie, Pa., Association of Insurance Agents. The vice-president is S. Rietzell; secretary, H. L. James; treasurer, C. V. Faulkner.

Eastern Notes

J. L. Baldwin, formerly state fire marshal in Pennsylvania, died in Philadelphia Sept. 6.

The Marcus Robbins & Co. agency of Newark has been incorporated by Maurice Robbins, Marcus Robbins and Esther Robbins, all of Newark.

A. Roszel Cathcart-Donaldson Company, Baltimore, for 25 years local agent for the New York Underwriters and Orient, have severed their connections with those companies and will conduct a general brokerage business.

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MOTOR INSURANCE NEWS

Motor Truck Loss Ratio High

Owners Caught with No Business and
Expensive Upkeep—Fire Coverage
Hard to Place

Automobile writing companies are complaining over the heavy fire losses on trucks which they have sustained since the first of the year. The experience has been so unfavorable that most companies are very cautious about writing fire insurance on fleets of trucks which they have not previously carried. In addition, many are cancelling what they feel to be the undesirable business. An agent or broker who has the insurance to place on a line of trucks where the ownership is not considered high class is finding it difficult these days to get the business written, at least from a fire insurance standpoint.

Operating Capital Small

The companies have found that literally hundreds of owners of truck fleets have been operating on a shoe string. When times were good they were buying their trucks on the partial payment plan and hiring drivers at fairly good wages to operate them. Now that the business depression has set in, there has been a tremendous fall off in the amount of goods shipped by truck. These truck owners have thus found themselves in possession of a fleet of trucks with almost no orders for hauling to keep them busy. In dozens of instances, trucks thus owned have been mysteriously burned, but it is difficult for the companies to prove anything. Collusion and fraud can often be proven in connection with other automobile losses, but where a truck has burned it is difficult to prove dishonesty, although it may be suspected. Truck owners have found that it is easier to burn

trucks than to attempt to dispose of them in any other way.

Reliance Auto Is Sold to A. L. Whitmer, Life Official

The United States General Agency Company of Chicago, which owns the major interest in the Chicago National Life, has purchased the Reliance Agency Corporation, which is the attorney-in-fact of the Reliance Automobile Insurance Underwriters of Peoria, Ill. A. L. Whitmer, chairman of the Chicago National Life, is chairman of the United States General Agency Company and is its principal stockholder.

Whether there will be any change in the method of operations of the Reliance Automobile has not been announced.

The Reliance Automobile was licensed in 1920 as the Reliance Automobile Indemnity Exchange and in 1925 took its present name. In 1929, it reinsured the entire business of the Auto Owners Underwriters of Kankakee, Ill., and later in that year reinsured the business of the Colonial Casualty Underwriters of Peoria.

B. G. Moutier has been president of the Reliance Agency Corporation; C. F. Lauer, vice-president; F. R. Adams, treasurer; C. A. Hurst, secretary.

Total assets, as of Dec. 31, were \$162,912; unearned premiums, \$27,833; surplus, \$50,939; net premiums written, \$214,635; loss ratio, 60 percent; expense ratio, 64.2 percent.

Auto Association Reorganized

LINCOLN, NEB., Sept. 23.—The National Automobile Association of Omaha, its attorney, Herbert White, announces, has been reorganized, with all of the old officers dropped and new men in charge. All persons holding

service contracts issued in the past will continue to be served. Mr. White says the new contracts will comply in all respects with the recent order of Commissioner Herdman, who held it was doing an insurance business in violation of law. Whether this means the insurance feature will be eliminated is not made plain, but if it is continued satisfactory arrangements for reinsurance must be made. This action was taken to forestall action by the attorney general in the form of a quo warranto and ouster suit.

Texas "Auto Clubs" Enjoined

AUSTIN, TEX., Sept. 23.—Temporary injunctions have been granted by the district court here against the American Automobile Protective Corporation of Houston and the National Auto Service Corporation of San Antonio restraining the corporations and their officers from transacting any business.

Both concerns received charters as automobile clubs, but are alleged to be selling and issuing automobile insurance contracts in violation of the Texas laws. The suits against them were filed by Attorney General Allred.

Consider Company's Case

The corporation commission of New Mexico held a hearing Sept. 13 at Santa Fe to determine whether the New Mexico Automobile Owners Benefit Association will be permitted to operate without \$200,000 paid up capital

and \$300,000 surplus. Commissioner Fernandez tentatively held the concern must have the same capital required of a fire company. The New Mexico Automobile Owners plans to offer a contract for \$7.50 which it is said would reimburse for any damage between \$10 and \$250 sustained by the owners' cars in accidents. Policyholders would be subject to assessment to cover losses.

After Motorist Association

COLUMBIA, S. C., Sept. 23.—A test case is expected to be made here against the Motorists Association of Carolina in South Carolina's war on unlicensed insurance companies.

According to Commissioner Sam B. King, the association claims that it is not an insurance company, that its business with clients is contractual and is not an insurance policy. A representative of the association was supposed to have kept an appointment with the commissioner last week to thrash out the problem, but failed to do so.

Vestris Liability Not Limited

NEW YORK, Sept. 23.—Under a ruling of the federal court here the owners of the steamship Vestris which sank Nov. 12, 1928, were denied a limited liability of \$90,000, the court holding that the 600 claimants against the Liverpool, Brazil & River Platte Navigation Co. and Lamport & Holt, owners of the liner, were within their rights in instituting actions for sums aggregating \$5,000,000.

ROUSING WELCOME TO AGENTS

(CONTINUED FROM PAGE 3)

president, acted as master-of-ceremonies. Lee A. Phillips, vice-president Pacific Indemnity, gave a luncheon Monday noon to a number of people attending the National association meeting.

Toastmaster Palmer presented Lieut.-Gov. Frank Merriam at the get-together dinner, who gave the welcome for the state. Eugene Battles of Los Angeles, president California association also extended greetings. W. B. Calhoun of Milwaukee responded.

National President Goodwin introduced the past presidents, seven being present. H. J. Thielen of Sacramento on behalf of the California agents presented President Goodwin a silver mounted saddle for his riding horse. Others who spoke were Editor Cyrus K. Drew of the "Western Underwriter," Insurance Commissioner Dunham of Connecticut and Secretary W. H. Bennett.

Albert Dodge of Buffalo presided at the National Council meeting. Fred J. Lewis of Milwaukee, F. H. Hickman of Atlantic City and Mr. Dodge were appointed a committee to devise rules for governing the council which is now a rather loosely jointed proposition.

President Goodwin suggested that state councillors be continued in office from year to year in order to keep in touch with the activities. It was suggested that the councillors should be the liaison officers between the state association and the National executive committee.

The thought is that the council discuss important association problems and make recommendations to the committee. The councillors are expected to form sectional groups to consider with the company jurisdictional organizations.

The New England councillors met at breakfast, as did the Southeastern Underwriters Association group, of which Walker Taylor of Wilmington, N. C., is chairman. There were 33 states represented at this year's council meeting.

James L. Case of Norwich, Conn., who has made a study of the subject of policy cancellation for non-payment of premiums, stated that if the fire and casualty companies and the agents had been able to collect with any measure of

promptness what was due them most of their financial problems would have been solved. He recommended that the president appoint a committee of five to study the entire question and report as soon as possible to the executive committee.

Solid Front for Markham

One of the outstanding achievements of the committee on public relations and education was the election of George D. Markham of St. Louis as member of the board of directors of the Chamber of Commerce of the United States, according to Chairman Earl E. Fisk of Green Bay, Wis. He said the chambers of commerce in the small towns were mobilized to present a solid front for Mr. Markham and overcame the chambers of the larger cities, which favored the insurance company candidate.

Mr. Markham said that although insurance courses have been dropped in some colleges and schools, this was due to lack of funds and not lack of interest and that when better times arrive insurance education is certain to make great strides.

Mentioning specifically the large number of compulsory automobile bills that were proposed, Mr. Fisk reported that the legislative season had been extraordinarily exacting. Through the help of the key men, the local chambers of commerce and the National chamber, all compulsory automobile bills were defeated, he said.

Since the early days of insurance the results from agents representing underwriting companies always have been the same, demoralization of the business, F. L. Gardner of Poughkeepsie, N. Y., told the agents in one of the discussions. Others immediately followed the line of least resistance and met this competition, and in the end brokers or sub-agents as a rule got most of the advantage.

He said the very advantage which the well trained agent or sound, well managed company has in quality of protection and services rendered is lost when excess commissions and cut rates are given the emphasis. It is his belief, he stated, that if organized agents had nothing to do with agents or companies,

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CAPITAL	\$3,000,000.00
RESERVE FOR ALL OTHER LIABILITIES	2,002,924.63
NET SURPLUS	4,322,916.71
ASSETS	9,325,841.34
SURPLUS FOR THE PROTECTION OF POLICY HOLDERS	\$7,322,916.71
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who refused to abide by board rules and
rates in their districts, the trouble would
be greatly reduced, if not eliminated.

J. K. Shepherd, president of American
Association of Insurance General
Agents, extended a welcome, the key-
note of which was "I salute you as
comrades in thought, feeling and pur-
pose." He said men and women of the
local and general agency forces are
measuring up to their obligations in a
fair manner, when one "contemplates
the destructive probabilities of legisla-
tures uninfluenced by the sober judg-
ment and personal appeal of local and
general agents." We purpose continu-
ing to stand shoulder to shoulder with
you in protecting the business of insur-
ance from harmful practices within or
destructive forces without," he said,
"pledging our energy and resources to
its maintenance as a privately owned
and operated commercial activity."

W. H. Bennett, secretary-counsel Na-
tional association, gave an address on
"Insurance Organizations and Their
Public Service," which he pointed out
was the primary theme of the agents
convention this year. His address is
presented in large part elsewhere in this
issue.

Goodwin Makes Recommendations

President Percy H. Goodwin's annual
address and report of the administration
was a voluminous review of the mani-
fold activities of the agents' organiza-
tion under his leadership, and carried
many recommendations. His talk also
is presented at length in another column.

The report of J. S. Pearce of Tulsa,
chairman of the better business methods
committee, noted that the nation-wide
depression has brought home forcibly
to agents the need for intelligent, con-
cise agency records. He said adversity
has been a good teacher and the Ameri-
can agency system should benefit from
the slump period. Service, he said, is
the foundation of the agency system, and
if the system is to be developed and
strengthened, agencies must justify their
existence by improved service to as-
sureds.

A very interesting paper was read by
A. L. Jenkins of Richmond, Ind., on
"Reciprocal Automobile Insurance; How
Do You Meet It?" Mr. Jenkins gave
the substance of his sales argument in
meeting such competition. He finds the
new financial responsibility laws in many
states one of the best talking points, as
most reciprocals limit their operations
to the states in which they are organized,
with, he says, possibly a few adjoining
states, which in many cases makes them
unacceptable to state departments.

"Watch Weeds," Hubbard Warns

Clarence T. Hubbard, assistant sec-
retary of the Automobile of Hartford,
prefaced his address with the warning
title, "Watch the Weeds." He said it is
obvious to all that there are many
"weeds" which threaten the superior
growth of insurance; such weeds, he
noted, as selfishness, incompetency and
indifference; the weeds of "let George
do it," and "every man for himself." To
crowd out the "weeds," he said, one
must cultivate the growth of things
worth while in their place. Every time
an agent lends assistance in stopping
unethical insurance practices he is help-
ing to choke out the "weeds."

Most state associations of agents are
sufficiently large and powerful to help
materially in finding an explanation for
most doubtful fire losses; they know
their clients' affairs and undoubtedly
would respond if their National associa-
tion should, as he suggested, adopt a

resolution asking state associations to
put an investigator on this problem,
Sam T. Morrison of Iowa City, stated
in the fire and accident prevention com-
mittee's report. He suggested that
agents offer their services to their local
chambers of commerce and civic clubs
in this respect.

Irritating situations which have arisen
between company organizations and the
National association within the last few
years should be and could be eliminated
by closer cooperation between the two
groups, Commission C. D. Livingston
of Michigan stated in his address Thurs-
day on "Companies, Agents and Organi-
zations." He noted that since his paper
was written steps have been taken to
set up machinery for this purpose. He
emphasized that no insurance organiza-
tions can justify their existence without
first having the public interest in mind.

Fred M. Burton of Galveston, report-
ing as chairman of the legislative com-
mittee, noted that no important national
legislation affecting agents or their busi-
ness has developed in the last year. He
said much constructive work can and
should be accomplished by national
councillors in every state, by means of
consultation through correspondence and
personal conference, in preparing agents
to support or oppose any legislation in
the making.

One of the high lights of the conven-
tion was the address of Orra E. Mon-
nette, vice-chairman Bank of America,
Los Angeles, on "Chattering Garden-
ers." His title was taken from a satirical
book "The Garden of Folly," written by
Stephen Leacock, with reference to the
frivolous thinking and foolish actions of
men. He spoke particularly of the need
for observing ethical codes once they
have been set up.

Believes Bureaus Are Burdensome

Albert Dodge of Buffalo, N. Y.,
executive chairman New York State As-
sociation of Local Agents, offered an
unequivocal "Yes" in opening the dis-
cussion on the question, "Is the Busi-
ness of Insurance Over-Controlled by
Bureaus?" He said he would like to
change the subject, however, to "Is the
Business of Insurance Overburdened
with Bureaus?" He said the system of
bureaus fostered by companies has
grown to such proportions that it is a
"positive hindrance" to the business and
the methods used at present do not ap-
pear to be successful in controlling
actions of companies and agents. The
companies could do a constructive piece
of work in consolidating or eliminating
a great number of the bureaus, he said,
particularly those whose operations have
been proved unsuccessful. This would
eliminate much maintenance expense, he
said.

In another discussion on the subject,
"The Branch Office, a Disturbing Fac-
tor," C. B. White, president Seattle Ex-
change, said in dealing with this situation
that utter frankness is needed and branch
offices must be discussed, whether they
are that without pretense or are dis-
guised under the title of service offices.
He reported finding in Seattle that ser-
vice offices for the most part do every
thing like branch offices. Production
branch offices disrupt existing agency
conditions in many ways, he said; they
"develop every known kind of unfair
and expensive competition."

Would Extend Reporting Form

Harry R. Manchester's report as
chairman of the I. U. B. committee was
given close attention. Mr. Manchester
said he favors the principle of the re-
porting form and would have it ex-
tended even to a single location where
the minimum premium is large enough.

But, he declared, the Interstate Un-
derwriters Board, by what he charged
is rate cutting is reviving discriminatory
practices in the business, of the same
nature as those which provoked 44 states
to adopt many discriminatory statutes
in years gone by. He said he is in-
formed that the average rate is cut 30
percent by the Interstate Underwriters
Board. This loss in revenue, he charged,

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has to be made up by contributions from the small property owner.

As a means of discouraging the planting of bank agencies, J. K. Pratt declared that the Oregon Insurance Agents Union, of which he is president, has under advisement the plan of printing in the association's monthly bulletin an exhibit to be known as the preferred stock company list, consisting of all companies licensed in Oregon which are not planted in bank agencies.

President J. B. Hillers of the Nebraska Association of Insurance Agents, in the discussion on overhead writing, declared that this evil can be overcome by agents representing only cooperating companies, that are willing to pay a brokerage commission to local agents on risks written at headquarters.

Must Support Companies

Emphasizing the importance of maintaining adequate rates, James A. Beha, general manager of the National Bureau of Casualty & Surety Underwriters, declared that the agent who opposes the demand of companies for rate increases or who attempts to depress the tariff is "unethical and disloyal." Mr. Beha pointed out that the field forces are not actuarially trained and their criticism of rates is not justified. Companies, he said, do not ask for rate increases unless they are needed.

Cyrus K. Drew, editor of the "Western Underwriter," of San Francisco, in his address "Buck Passing," analyzed in somewhat humorous fashion a number of the weaknesses in the business. He dwelt at some length on agency qualification laws, declaring that these statutes are not always prompted in order to better the personnel of the field. Sometimes the motive is to discourage new agents no matter of what ability. He declared that qualification laws permit the companies to escape the responsibility for the kind of men to represent the business. He added, however, that some agents who are compelled to get the business at whatever cost, are flood-

ing the field with improper type of agents.

The address of Wilfred Kurth, president of the Home of New York, contained an endorsement of many of the planks in the platform of the National association. Mr. Kurth was straightforward. He said he was inclined to discount the fears of those who feel the branch office system as gaining strength. Agents, he said, have it in their power to end the spread of branch offices by polishing up their service and providing every facility, which is claimed for the branch office.

Executives, with the modern viewpoint, are no longer opposed to agency qualification laws, Mr. Kurth declared. He predicted that a suitable law will be drafted by joint effort of the companies and the agents.

Eureka Security Meeting

State and special agents of the Eureka Security were in Cincinnati the first three days of this week to hold their regular fall meeting. Business plans were discussed. In addition to the officers of the company, those present at the conferences included J. A. Lance, Newark, N. J.; George Renter, Syracuse; G. A. Reynolds, Pittsburgh; Harry Albers, Lansing; Norwood Dempsey, Cincinnati; A. J. Hasmer, Lawrenceburg, Ind.; E. L. Lindholm, Madison, Wis.; William Bischoff, St. Louis; V. T. Winton, Memphis; H. H. Rimington, New Orleans; Gardiner Graddon, Cleveland; H. H. Hall, New York City; L. V. Smith, A. F. Shaw, Jr., and A. C. Anderson, Chicago. The four last named are connected with A. F. Shaw & Co., Chicago, general agent for the Eureka Security for inland marine lines.

O'Day Resigns Post

E. F. O'Day, who, in addition to his other advertising and publicity work, has been directing the advertising and publicity department of the Fireman's Fund group, is resigning at the end of the month, having found that his other accounts are demanding more of his time. He will be succeeded by W. Stanley Pearce, who has been with the Atlantic marine department of the Fireman's Fund 15 years.

McCandless Dies

George M. McCandless, head of the McCandless, Collingwood & Alexander agency of Pittsburgh, Pa., died in Allegheny General hospital Monday at the age of 63. He was active in Pittsburgh affairs and from 1915-16 was president of the Board of Fire Underwriters of Allegheny county.

Herring Is Retained

NEW YORK, Sept. 23.—In assuming from the American Equitable reinsurance of the automobile business taken over by the latter company from the Cosmopolitan Fire Sept. 15, the Importers & Exporters retains the services of C. M. Herring, who was in charge of the automobile branch of the Cosmopolitan. Automobile premiums of the latter company at the time of reinsurance approximated \$250,000 or about a third its total premium income.

W. H. Rogers Dies

William H. Rogers, a lifelong and highly respected Boston fire underwriter, died at his home in Newtonville Sunday, after a lingering illness, in his 68th year. Mr. Rogers was the son of James B. and Betsey A. (Hopkins) Rogers, and came of colonial stock, tracing his ancestry on his father's side to Thomas Rogers, and on his mother's to Stephen Hopkins, both signers of the Mayflower Compact.

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The National Underwriter

September 24, 1931

CASUALTY AND SURETY SECTION

Page Thirty-five

Industrial Men in Annual Meet

Real Spirit of Cooperation and
Mutual Helpfulness Realized
at Asheville, N. C.

OVERINSURANCE STRESSED

Burr of Durham Life New President
Succeeding Kendall of Washington
National; Jones Secretary

In a three-day convention at Asheville, N. C., which came to a close last Friday with election of E. T. Burr of Raleigh, N. C., actuary Durham Life, as president to succeed George R. Kendall of Chicago, president Washington National, members of the Industrial Insurers Conference discussed many phases of insurance problems without taking definite action on any issue.

The main achievement was attainment of a greater spirit of cooperation Messrs. Kendall and Burr reported. All problems were discussed in a spirit of mutual helpfulness.

Depression Has Effect

About 80 members attended, somewhat under registration in previous years, due to the depression. Those present however were anxious to extract every dollar's worth of value that the gathering offered and all left feeling that cooperation, which in the past has been more widely discussed than practiced, was largely achieved this year.

Other officers elected include: Secretary, J. R. Leal, Chattanooga, Tenn., vice-president Interstate Life, and Peyton W. Jones, Macon, Ga., secretary-treasurer Bankers Health & Life. R. H. Dobbs, Atlanta, Ga., vice-president Industrial Life & Health, becomes chairman executive committee.

Four new members were elected to the committee for one-year terms, Mr. Kendall, G. W. Munford, Durham, N. C., secretary Home Security Life and retiring secretary-treasurer of the conference; Frank E. Jennings, president Peninsular Company, Jacksonville, Fla., and C. S. Drake, Indianapolis, Ind., Empire Life & Accident.

Several Hold Over

Those retaining places on the committee are Mr. Dobbs, promoted to chairman; C. A. Craig, Nashville, president National Life & Accident; P. M. Estes, Nashville, general counsel Life & Casualty, and W. R. Lathrop, Birmingham, secretary-treasurer Southern Life & Health.

The chief feature of the opening day's program was an address by Maj. A. L. Fletcher, Raleigh, N. C., deputy commissioner of North Carolina, who traced rapid growth of insurance in the state. Delegates were welcomed by Mayor Otis Green and Mr. Jennings of Jacksonville, Fla., responded.

Another feature was the address of

Serious Problems Face Casualty Company Men

NEW YORK, Sept. 23.—While member companies of the National Bureau of Casualty & Surety Underwriters plan to take up the question of acquisition costs with a view to arriving at a basis acceptable to the agency force, the matter is still in a nebulous stage and will not likely assume concrete form for several weeks yet. When a program is arranged representatives of the National Association of Insurance Agents will be asked to participate in the deliberations with executives.

Acquisition Cost Secondary

Important as is the matter of acquisition costs, however, it is secondary just now to the problem as to how to keep casualty losses within reasonable bounds and to reduce general expenses of the business. The continued depression in the industrial field has multiplied claims, underwriters being convinced that many are the result of malingering, injured workmen finding it more profitable to collect even minimum benefits from insurance companies than to accept employment for two or three days a week. It will take six months before the companies will derive any appre-

ciable advantage from the emergency rate increase that became effective in a number of states on Sept. 1. The conviction is growing that unless there is a decided improvement in the loss situation a further emergency rate advance will be necessary.

Work on Loss Records

Actuaries of the National Council are working at top speed to bring the loss records of the member companies up to the latest possible date, information predicated upon the experience periods previously used being no longer desired. With decreased payrolls the cost of their auditing is mounting steadily, the average charge for checking up a \$100 account is now close to \$10 compared with \$7 three years ago. A further advancing cost is that for hospital service for injured claimants. While the casualty companies have to foot the bills, they have no voice as to the extent of the charges, which are increasing steadily. Altogether the expense element as well as the loss experience of the casualty companies, notably in their compensation line, is giving company officials grave concern.

President Kendall, stressing over-insurance and the need for action. Reports were heard from committees, and Secretary Munford gave his report.

The statistical committee report read by R. A. Halley, National Life & Accident, chairman, stated that in comparing experience of different reporting companies the most prominent feature observed was the wide range. Three member companies failed to return the committee's questionnaire this year.

Statistical Figures

The report showed on life and endowment a high claim ratio in 1930 of 36.17 percent, low of 11.71 and aggregate 24.52; on H. & A., high of 55.85, low of 27.58 and aggregate 40.53; death claims under H. & A. policies, high 8.88 percent, low 1.48, and aggregate 6.9.

Four companies reported a sick claim ratio under 35 percent, 11 between 35 and 40 percent, six between 40 and 45 percent, and five above 45 percent, the aggregate being 40.53. The death claim ratio of 6.9 percent is considered very low for A. & H., having been bettered in only two years, 1921 with 6.89 percent and 1929 with 6.87 percent.

Report on L. & A.

Premium income on life and endowment reported for 1930 was \$24,300,980 as against \$22,623,731 in 1929; death claims: 1930—\$5,959,546; 1929—\$5,446,214; premiums in the first half of 1931 were \$12,189,102 as compared with \$11,896,801 in the same period of 1930, and death claims: 1931—\$3,201,191; 1930—\$2,971,999.

Health and accident results were: Premium income, 1930—\$34,569,159; 1929—\$38,233,962; H. & A. claims, 1930—\$14,011,342; 1929—\$15,192,495; death claims, 1930—\$2,385,756; 1929—\$2,771,223; first six months, 1930—\$15,652,262; 1929—\$18,453,484; H. & A. claims, 1930

—\$7,182,137; 1929—\$7,670,065; death claims, 1930—\$1,112,435; 1929—\$1,393,290.

Three addresses were interesting analyses of various questions. H. N. Lukins, Chicago, general counsel Washington National, spoke on "Some Observations of the Industrial Insurance Business"; A. J. McAndless, vice-president Lincoln National, on "Some Underwriting Problems of Ordinary Life Business," and H. C. Smith, Retail Credit, on "Inspecting Industrial Business."

Committee reports were: Executive, E. T. Burr, chairman; law, P. M. Estes, chairman, and membership, A. D. Johnson, chairman. Nominating committee consisted of W. R. Lathrop, C. A. Craig and C. S. Drake.

At the closing public session the last day, Frank J. Walker, president Kentucky Central, spoke on "Why the Heavy Lapse on an Industrial Health and Accident Debit," and A. B. Langly was another speaker.

Hold Executive Session

Following the final public session the third morning an executive session was held, limited to company officials. Claims, general expense and acquisition costs were discussed and the statistical report analyzed. The report of the advertising committee; W. R. Lathrop, chairman, was made in executive session, recommending that advertising appropriation be cut in half, which was approved, so for the new year it is \$500.

The annual conference banquet was held the second evening. Raymond Daniel, Atlanta, permanent tournament "czar," awarded golf prizes and W. L. Walker, manager Asheville chamber of commerce, spoke.

Selection of next meeting place and dates will be made later by the executive committee. The conference re-

Coast A. & H. Clubs in Joint Meeting

Stearns Elected President of Pacific Alliance at Gathering in
Los Angeles

ENTHUSIASTIC SESSIONS

Present Elaborate Program of Educational and Sales Tips—Large Attendance Recorded

The joint meeting of the Pacific Coast Accident & Health Clubs at Los Angeles under the auspices of the Los Angeles club, was one of the most interesting and enthusiastic gatherings of this sort ever held in the west. Attendance was large, the Los Angeles club turning out in a body.

H. L. Thompson, Los Angeles agency National Casualty, president of the association of Pacific Coast clubs, presided. M. P. Hawkins, president Los Angeles club, extended welcome, with response by Leland C. Stearns, president San Francisco club. Reports of club activities and progress were made by W. E. Leiby, secretary Pacific Coast clubs; G. W. Kemper, secretary San Francisco club, and J. B. Sackett, secretary Los Angeles club.

W. M. Stufflebeam, local manager Retail Credit Company, talked on service of his company, emphasizing that reports cover agents as well as risks.

Stearns Elected President

In the election of officers of the organization of Pacific Coast Accident & Health Clubs, Leland C. Stearns, manager accident department Pacific Mutual, and president San Francisco club, was elected coast president, and G. W. Kemper, Great American Casualty, present secretary San Francisco club, was named coast secretary. The selection of these two men was unanimous and inspired by the splendid work they have done in the San Francisco club. H. F. Thompson, manager National Casualty, Los Angeles, was selected a delegate to the 1932 national convention. The next meeting of the coast clubs will be at San Francisco in September, 1932.

In the afternoon session Mr. Stearns was in the chair. The opening address was made by H. R. Gordon, executive secretary Health & Accident Underwriters Conference, Chicago, on "An Informed Agent Is a Prepared Agent." He discussed the great need for proper education of agents in order that efficiency may be increased and gain in

(CONTINUED ON PAGE 41)

ceived invitations from Asheville, Jacksonville, Fla., and French Lick, Ind.

At the final session a memorial resolution was adopted to C. E. Clarke, who served three terms as conference president, and who died Dec. 28, 1930.

Brokers Adopt Resolution on Chicago Cost Control

CRITICAL OF AGENTS' STAND

Advocate Payment Only to Those Qualified—No Service for Commission Raises Cost

A resolution establishing the position of the Insurance Brokers Association of Illinois in connection with the proposed Chicago Casualty Acquisition Cost Control has been presented by President Frank P. Lavin to the committees representing the Casualty Club of Chicago and the Chicago Insurance Agents Association. The brokers are critical of the recommendations recently made by the agents' association that the Control recognize a 10 percent over-riding commission for general agents, declaring that such an increase would mean a reduction in brokerage paid.

In a preamble to the resolution the brokers point out that the original agreement upon acquisition costs provided for 17½ percent commission for workmen's compensation, and 25 percent for public liability, with brokerage of 12½ percent and 17½ percent. This agreement it is stated contemplated that brokerage would be paid to brokers competent and willing to perform the necessary service in placing and handling business. The development since then, it is declared, has been a competition for business, buying it from individuals and corporate sources, which by some affiliation or business connection controls the placing of the business, for which full brokerage is paid and no service given for it.

Produces Expensive Supervision

This method, according to the brokers has produced a heavy expense to general agents and branch offices for supervision. Instances are pointed to where a general agent's office has twenty or more "so-called" special agents, whose duties call for the development and servicing of business, and a branch office recently opened in Chicago announced that it would appoint a dozen or more special agents. The claim is that this system creates an expense not contemplated to be covered by the over-riding commission, and it narrows the field of operation for the competent full-time broker. It is also called to the attention of those responsible for the present broad field of eligibility as outlined for the Chicago fire and casualty controls that the brokers are in no way responsible for the letting down of the bars to banks, finance organizations, trusts and certain real estate groups.

Attempt to Limit Brokerage

The brokers declare that an attempt was made some years ago to limit the right of outside interests to receive brokerage, if at all, and then only in cases where there was an interest in mortgagee or trustee. The failure of these efforts, the brokers charge to be one of the reasons for the high operating costs of local supervising general agents and branch offices, and further declare that if the rules were now properly amended there would be ample over-riding commissions on a very large volume of business to meet the expense even at the present scale of commissions.

Finally in the resolution the brokers' association declares as follows:

Distinguish Full-Timer

"Be it resolved, that the full-time broker be distinguished from others in the class and that they be entitled to the full brokerage as provided in the original acquisition cost agreement. That they be qualified in such a classification as either regional agents or some other designation.

"Agency limitations should have for its object the production of business from proper sources by ethical means

Heads Claim Men



H. S. DON CARLOS

Mr. Don Carlos was elected president of the International Claim Association at the annual meeting in Swampscott, Mass.

preventing the payment of brokerage to improper sources for influence in the placing of business.

"The Insurance Brokers' Association of Illinois is not agreed that the maximum commission paid is too much. The payment of commissions to only those qualified may result in a lower acquisition cost.

Take Advantage of Qualification

"The drain upon general agents' or office managers' over-riding commission should be met by a reduction in brokerage to sources that require and obtain the assistance of service organizations.

"The recent enactment of brokers' and agents' licensed and qualification laws should be taken advantage of for the reduction of competition in the promiscuous payment of commission and brokerage which leads to rebating and rate cutting.

"We must all recognize the tendency of the times. Competition to maintain premium volume is leading to demoralization of rates. The Chicago acquisition cost control should recognize that co-operation to combat this tendency can be had with organized producers. This can best be obtained by just recognition of their rights."

To Present Resolution

The committee representing the Casualty Club of Chicago of which Henry B. Bale, manager of the Standard Accident, is chairman, met last week and considered a resolution which will be presented to President W. Herbert Stewart of the Casualty Club. As soon as the signatures of each member of the committee can be obtained on the resolution it will be announced, however it is understood that it will declare for the present top commissions, and will urge that organization of the Control be perfected at once with the matter of rules and regulations being worked out afterward.

Maryland Cuts Dividend

BALTIMORE, Sept. 23.—Directors of the Maryland Casualty Company this week declared a quarterly dividend of 1½ percent, or 15 cents a share on the \$10 par stock and 30 cents a share on the \$25-par stock. The dividends are payable Sept. 30 to stockholders of record Sept. 18.

The new dividend places the stock on an annual basis of 60 cents a share and follows a cut three months previously from \$2.25 to \$1.20 a share annually.

National Union Indemnity to Completely Reorganize

STERLING TO HAVE CHARGE

Transfer \$500,000 From Capital to Surplus—Directors Adopt Conservative Underwriting Policy

The National Union Indemnity has elected Nelson D. Sterling vice-president and the directors have adopted a plan of complete reorganization which will immediately be put into effect. The first step in this connection was the action taken by the stockholders at a meeting last week to reduce the capital from \$1,000,000 to \$500,000, transferring that amount to surplus. It is understood the underwriting policy of the company will be changed, and it will likely withdraw from unprofitable territory. Operations, for the present at least, will be considerably curtailed as the company believes a conservative course the proper one pending a revival of business.

Mr. Sterling began his career in the multiple casualty business as assistant secretary of the Aetna Casualty. In 1919 he was elected vice-president of the Fidelity & Casualty, which position he held until he resigned in 1926 to take the vice-presidency of the then newly organized Constitution Indemnity, assuming charge of the general underwriting of that company. Since resigning that position in March of this year, he has devoted his entire time to the promotion of a new publication which he has compiled known as the Sterling Index to the Automobile Casualty Insurance Rules.

Qualified by Executive Experience

J. M. Thomas, National Union head, requested Mr. Sterling to assist him by making an analytical survey of the affairs of the indemnity company and upon completing the work prevailed upon him to remain and undertake the reorganization of the company's plant and business. Mr. Sterling's past executive experience fully qualifies him for this undertaking.

Mr. Sterling has held many association offices and has acted as chairman of local and national organizations. He originated the rating plan which has successfully been used for many years in the plate glass line. He represented the plate glass insurance interests for many years as national councillor to the United States Chamber of Commerce.

Mr. Sterling has always had a great interest in the educational work of the Insurance Society, having on many occasions lectured to the students in the courses of that organization. He is a fellow of the Insurance Institute of America. His contributions to the literature of the business include the Standard Table of Short Term Calculations, a work of outstanding actuarial accomplishment.

May Lift Receivership

DAVENPORT, IA., Sept. 23.—An informal meeting of the principal stockholders, the Iowa insurance commissioner and attorney-general was held here to consider the future of the Federal Surety. It was decided to postpone the hearing on the receivership until Friday. The directors of the Federal Surety will meet Thursday to consider plans for an attempt to lift the receivership, the possibilities for doing this being considered very good.

Oklahoma Hearing Sept. 28

OKLAHOMA CITY, Sept. 23.—Forces are lining up on both sides for the final battle for decision on the workmen's compensation rate schedule in Oklahoma, which will be determined at the final hearing before the insurance board Sept. 28.

Wider Activities Planned for Chicago A. & H. Club

OUTLINED AT FALL MEETING

President Miller and Edson, Head of National Group, Divulge Plans Now Under Way

A comprehensive program for increased membership and plans for broadening the scope of the Accident & Health Managers Club of Chicago were outlined at the first fall meeting Monday. President W. G. Miller in welcoming members pointed out that the Chicago club is in position to make this a banner year.

L. D. Edson, Zurich, president of the National Association of Accident & Health Managers is a member of the Chicago club, and as a tribute to his leadership a drive will be instituted to give Chicago the largest club in point of membership.

Feature Educational Side

At each monthly meeting it is proposed to feature one prominent person in the health and accident business and representatives of allied branches of the business. It is aimed to feature educational phases of the business, and President Miller with Charles Dubach of the Hartford Accident, chairman entertainment committee, will prepare a worthwhile program.

J. Ernst, secretary-manager claim department Reserve Mutual Casualty, Chicago, was elected a member.

Mr. Edson was the principal speaker. He reviewed the Detroit meeting of the National association, declaring that it definitely established the association as an important factor in health and accident. The association plans a regular bulletin service to member clubs keeping them advised of developments in the business. Through the national association, insurance newspapers have been asked to exercise care in their reference to non-cancellable policies to distinguish between those that are and those that are not.

Making Outside Contacts

Mr. Edson stated that the national association is establishing contacts with other insurance organizations so that accident and health will be brought more prominently before other meetings. The association is expanding rapidly, he indicated, with the prospect that clubs will be organized in such cities as Cincinnati, Indianapolis, Buffalo, St. Louis, Des Moines, Omaha and Chattanooga.

He particularly praised the Pittsburgh club, the largest in point of membership, for the year-book which it recently issued. The book he stated has been brought to the attention of all company managers and those eligible for membership in that club. Mr. Edson recommended this plan as a means toward increased membership.

Teachers Group Discussed

He outlined developments at the recent conference held in Chicago by companies writing teachers' group disability business. A complete report on that meeting will soon be made available to those interested in receiving it.

Robert C. Larson of the Rockwood Company, chairman membership committee, announced the club now has 50 members. Ralph O. Wood, Zurich, secretary-treasurer, urged prompt payment of dues in order to give the club a working fund which will enable the administration to carry out the extensive program planned.

Archer to Speak

Dr. H. M. Archer will be the principal speaker at the meeting of the New York Claim Association Sept. 24.

Lee Gives Advice on Guest Actions

Tells When to Withdraw Because of Failure to Cooperate

SPEAKS AT SWAMPSCOTT

Doesn't Favor Views of Those Who Would Frankly Tell Jury of Insurance

Advice as to when the company should withdraw from the defense of an automobile guest case because of failure of the assured to cooperate was given by David Lee of Lee, Levene, Verreau & McAvoy, Birmingham, N. Y., in his address before the annual meeting of the International Association of Insurance Counsel at Swampscott, Mass. Mr. Lee did not set up an arbitrary rule, but declared that the question of whether to withdraw depends upon the circumstances of each individual case.

"It is difficult to prove lack of cooperation," he said, and it is never safe to withdraw unless it can be established conclusively. The insurer does not expect or ask the assured to color his testimony or distort the facts in any way. All that is required is for the assured to tell the true facts and cooperate in the defense. It is difficult and almost impossible to prove that the assured is distorting the true facts to aid the plaintiff. However, this might be established where the assured has given a statement setting forth the facts of the action and then later attempts to change his story. In such cases there is definite proof of the failure to cooperate and you might be successful. It is, therefore, important particularly where an occupant of an insured's car is injured, to get a statement from the assured immediately which will contain the actual facts."

Immediate Decision

Mr. Lee said the company should decide immediately whether failure of cooperation is so obvious as to warrant a withdrawal and if the decision is made, the company should withdraw immediately, "since if the company continues with the defense after it has knowledge of the failure of cooperation it would constitute a waiver of breach of conditions by the company."

Mr. Lee quoted authorities, which he said would seem to indicate that if failure to cooperate was not discovered until immediately before the trial or upon the trial itself, that the insurer might still defend the primary action brought against the assured without waiving the defense of failure to cooperate. "However," he said, "this law is not settled and such practice is dangerous."

Mr. Lee told an interesting incident of failure to cooperate. The assured was sued by his adult daughter, who was riding with him at the time of the accident. He apparently cooperated in preparing the case for trial. He was always modestly dressed, had a timid, meek appearance and belied the charge of his daughter that he was a careless man.

Comes Out in Red Tie

On the day of the trial he appeared in a brand new flashy suit with checks "that could be seen a block away." He had a salmon colored handkerchief and a red tie with a large glass diamond. "He may have been uncomfortable but he looked like a roadhouse proprietor or a gambler. Somebody gave him the

(CONTINUED ON PAGE 40)

Gordon Optimistic Over Prospects in A.&H. Field

Several factors which justify an optimistic view in regard to the future of accident and health insurance were reviewed by Harold R. Gordon, executive secretary of the Health & Accident Underwriters Conference, in his address at the joint meeting of Pacific Coast Accident & Health Managers Clubs at Los Angeles. Even though accident and health volume has declined in the past two years, he declared that it is the everlasting credit of men in the field that new business is being produced in a very gratifying manner, considering the condition of general business.

Lapses Can Be Reinstated

Lapsation of business has been a discouraging feature and of course has been the cause of the decrease in volume. Mr. Gordon expressed the belief, however, that accident and health salesmen will reap a profitable harvest in replacing this lapsed business just as soon as business conditions show an improvement. "While the lapses have been exceedingly heavy," he said, "it stands to reason that every lapsed accident and health policyholder can be easily resold when the business pendulum swings upward again."

The second feature which Mr. Gordon noted was the situation in the life insurance disability field. "It is quite evident," he said, "from the published statements of many life executives that in the very near future one of two things is likely to take place—either disability benefits issued in connection with life policies will be discontinued, with the possible exception of waiver of premium, or those benefits will be so restricted that the volume of that type of business will be cut down very considerably. This phase will open a very fertile field for accident and health salesmen, who take advantage of the opportunity to place a much larger volume of accident and health insurance upon life policyholders who desire disability coverage."

Informed Agent Prepared Agent

Another factor which Mr. Gordon believes will greatly increase the volume of business is a more thorough and intensive education of the accident and health agent. "Too many agents have

been hired without careful consideration of their qualifications, knowledge of the rate book, classification manual, application blanks and other supplies, and are turned out into the field ready to write business. Such men naturally have made many serious mistakes that have cost the company many times what it would have cost to equip them with an adequate knowledge of the business, so that I believe it pays in dollars and cents to equip our field men before they are put into the field." He therefore announced as the keynote of his address, "An informed agent is a prepared agent."

Must Know Policy Contract

A necessity for a knowledge of the policy contract was given as the first essential. Inasmuch as there are usually so many accident and policy forms issued for each company, Mr. Gordon suggested that it would be advantageous for the new agent to acquire his first knowledge of the policy in general terms, and, if this is done thoroughly, he can readily assimilate the exact coverage in the various policies which are issued by the company for which he is working. He emphasized the need for training the agent in underwriting principles, declaring that no individual at the home office, no matter how skilled or long experienced, can get as true a picture of risks submitted for accident and health insurance as the agent himself.

Emphasize Fundamental Idea

He also emphasized that new men in the business must have implanted in their minds the basic idea and purpose of accident and health insurance. They should be instructed first and last that accident and health insurance is protection against the loss of earning power occasioned by either accident or sickness, and is not insurance to compensate for broken arms or sprained ankles, or for the pains and aches of the "flu," pneumonia or other diseases. He declared a great amount of business now lapsed could be saved at the time it was sold by a more proper presentation of the basic idea of the coverage which is granted.

Safety Expert Finds Adults Indifferent to Auto Hazard

NEW YORK, Sept. 23.—The conclusion reached by Dr. H. J. Stack, supervisor of child safety activities of the National Bureau of Casualty & Surety Underwriters, as the result of a recently completed 10,000-mile trip about the country, is "that no effective fight can be made against the automobile accident peril until uniformity of laws and traffic regulations be had." While the school children as a rule are safety-conscious, the adults of the land, Dr. Stack holds, are yet generally indifferent upon the subject, with the result that when the present year closes 36,000 persons will probably have lost their lives in motor accidents, and possibly 1,000,000 more will have sustained injuries.

In the course of his journey Dr. Stack lectured before students of summer schools, insurance gatherings and civic organizations, urging greater care in road travel. He made a particular study of highway laws, discovering that while a number of states have progressive measures and effectively enforce them, others are generally indifferent. What is needed is a uniform safety law the country over, backed by a public sentiment that would compel its enforcement, he said.

Surety Can Return Prisoner When Extradition Refused

The law is well settled that a surety on a bail bond has a right to return a prisoner to a distant state even where the governor refuses to order extradition. W. A. Porteous, Jr., of Milner & Porteous, New Orleans, concluded in a carefully prepared address before the International Association of Insurance Counsel in Swampscott, Mass.

"The obligation of the principal and bail is ex contractu and the surety has the right to arrest the principal wherever he may be found and remove him to the forum from which he was released. The bail have their principal on a string and may pull the string whenever they please and render him in their discharge."

"No matter where the principal might be, he is still, through his bail, in the hands of the law of the state from whence he was released and held to answer for the offense, and in spite of the fact that in recent years we have grown accustomed to the proceedings by requisition, it is not the only means through which a prisoner may be transported from one jurisdiction to another."

The International Reinsurance has been admitted to Utah with Hugh Gallagher, Walker Bank building, as agent.

Depository Bond Situation Serious

Underwriters Wary About Accepting Risks—Losses to Exceed Eleven Million

REPORT 1,400 FAILURES

Insist on Full Information Before Writing Business—Strong Probability of Salvage

NEW YORK, Sept. 23.—With the failure during the week of three banks in Pittsburgh, and one each in Schenectady, N. Y., Wilkes-Barre, Pa., and Eau Claire, Wis., the number of financial institutions the country over that have closed their doors since the beginning of the year, totals over 1,400. While many of the institutions were small, a number were of considerable size and so well regarded as to be designated depositories for state, county or municipal funds. The claims paid by surety companies under depository bonds issued failed institutions run into large figures and it's a safe prediction that by the end of 1931 they will far exceed the \$11,000,000 which the companies paid in the same connection last year.

Revise Acceptance Standards

The record suffered on depository bonds in 1930 and thus far in 1931, and the fear that they will likely be called upon for still other losses within the next few months, has impelled all companies to revise their standards for the acceptance of depository bond business. Some companies are restricting acceptances to the larger institutions, some to certain designated territories, while still others have cut out the line altogether despite vigorous protests from some of their agents.

In the consideration of risks, underwriters now insist upon being furnished with a bank's most recent financial statement, preferably that checked by a bank examiner. This is supplemented with information from the banks' correspondents and from other sources.

Profit by Move

Those companies that declined to accept the business of small banks some years ago, have profited through the move, despite the sharp rate increase upon the class subsequently sanctioned by the Towner Rating Bureau.

A counter to the heavy losses which the surety companies have been compelled to meet is the strong probability of salvages. Much has already been secured in such connection and more may confidently be looked for as the institutions are liquidated or arrangements for the amalgamation of a number are consummated.

Would Recover from State

Underwriters are interested in the application to Governor Roosevelt of New York of M. D. Steuer, counsel for depositors of the defunct Bank of the United States of this city, to institute suit against the state to recover depositors' losses upon the allegation that, J. A. Broderick, superintendent of banking, was guilty of misfeasance in not closing the bank in June, 1930, instead of allowing it to continue until December. Depositors have received a 30 percent dividend and the expectation is that another 40 percent will be paid.

Opens Minneapolis Office

The Standard Surety has opened a service office at Minneapolis with Leon Fitzgerald as manager.

Massachusetts Solons Meet Sept. 28 on Compulsory Law

NEW MEASURES SPONSORED

Governor Intends to Confine Session
Solely to Solving Automobile
Insurance Situation

BOSTON, Sept. 23.—Governor Ely has set Sept. 28 as the date for the special session of the Massachusetts legislature for the purposes of making changes in the compulsory automobile liability insurance law. The session will be confined solely to the compulsory law, according to the intent of the governor. The governor's council concurred with the governor in authorizing the proclamation.

The governor's proclamation states the compulsory rates for 1932 "appear to work a hardship on the people," and "whereas, said rates are likely to become effective unless action is speedily taken by the legislative branch of the government for changes in the law which will permit of a lower rate the legislature is called to take action in reference thereto."

Little Hope for Relief

At a session of city solicitors and town counsel held in Boston immediately following the call for the special legislative session, little hope for relief from such action was held out. In fact it was openly stated that speedy action by the legislature would probably frustrate a sincere endeavor to reach a proper solution of the problem.

The town and city council favored passage of a measure creating a special commission to study the problem and will present a bill to that effect. In the meantime several bills have been filed for consideration at the special session.

Beha to Stop Off in Chicago to Confer on Acquisition

LOS ANGELES, Sept. 23.—James A. Beha, general manager of the National Bureau of Casualty & Surety Underwriters, who is attending the meeting of the National Association of Insurance Agents here and gave an address Wednesday, will stop off in Chicago on his return to take up with the joint committee the question of acquisition cost and the enforcement of the

rule. A joint committee of general agents and managers was appointed to make recommendations. L. M. Drake, president of the Chicago Local Agents Association, and Allan I. Wolf, prominent in that body, are present and had a conference with Mr. Beha.

Minnesota Federation Sets Sept. 29 for Annual Meet

The executive committee of the Insurance Federation of Minnesota has chosen Sept. 29 for the 1931 annual meeting. It will be in the Minneapolis athletic club, and will open with a complimentary luncheon. This will be followed by a short business session and election of officers. There will be no long set speeches, instead, opportunity will be given to present pertinent subjects from the floor and discuss them informally. President H. H. Matteson and Secretary C. B. Helm announce.

Adjusters Given Huge Loss

Toplis & Harding, adjusters representing Lloyd's of London have received from officials of the Continental Illinois Bank, Chicago, the statement of loss covering the embezzlement of Walter E. Wolf, former manager of the coupon department, amounting to \$3,393,154. The bank was insured with Lloyd's of London under a blanket policy for \$2,000,000. This statement of loss does not include \$273,744 recovered from brokers. The suspension of the gold basis in England will not affect payment of the loss as the policy calls for payment in dollars.

No Funds for Enforcement

Indiana's new financial responsibility law for motorists will become effective Oct. 1 and the secretary of state will be compelled to enforce the law without an appropriation for expenses and without making use of motor vehicle fees received by his office. The attorney-general holds that the secretary of state is not authorized to charge a fee for filing and passing on certificates contemplated under the act.

Kansas Refuses Increase

TOPEKA, KAN., Sept. 23.—Commissioner Hobbs has denied the 100 percent increase on mayors' surety bonds and has requested the companies to withdraw their application, which they have agreed to do.

E. Asbury Davis Is Elected Baltimore Company Official

TAKES POST NEWLY CREATED

Made Chairman of Board of United
States Fidelity & Guaranty—
Bland in Statement

BALTIMORE, Sept. 23.—Election of E. Asbury Davis to the newly created position of chairman of the board of the United States Fidelity & Guaranty at a meeting of the board of directors was announced by R. Howard Bland, president of the company.

Mr. Bland further announced that Mr. Davis will give his entire time and attention to the affairs of the company. The executive committee was at the same meeting strengthened, Mr. Bland said, by the addition of J. Pembroke Thom, James H. Motley and Charles H. Knapp.

The new chairman is a director of the First National Bank and the United States Chamber of Commerce, and was formerly president of the Baltimore association of commerce. He is identified with the firm of F. A. Davis & Sons.

Eight Months' Record

It was further said that the U. S. Fidelity & Guaranty's statement for the eight months ended Sept. 1 showed a falling off in gross underwriting of a little over 10 percent as compared with the same period in 1930. About 50 percent of the decline in premiums was due to the falling off of payroll credits in workmen's compensation lines. In other lines written by the company and decrease has been either slight or non-existent except in the contract line, it was added. During the same eight-month period the company's expenses have declined about \$800,000. The company is carrying total invested reserves of over \$41,000,000 and from this source as well as from its capital and surplus amounting to \$19,418,961, its income during the period amounted to about \$2,000,000.

Mr. Bland also said the falling off in his company's business compared not unfavorably with that of insurance companies generally and that while losses in all lines are abnormally high in these times he saw no reason to be unduly pessimistic about the future.

ORDER YOUR NATIONAL UNDERWRITER INSURANCE CALENDARS NOW!

Advertising Conference's Annual Program Announced

(CONTINUED FROM PAGE 14)

9. What can the advertising man do to overcome the lethargy amongst agents produced by the depression?
10. How do you cooperate with the underwriting department in pushing new or profitable coverages?

Taylor's Session

At the Tuesday afternoon session, Harold E. Taylor, advertising manager of the American of Newark group, will preside as chairman, and at the session of which he will have charge these topics are to be considered:

1. Copy: How does it originate on a given job? How is it tested for reader interest? Is it tested in any way at the home office for general reader interest? How much time is devoted to writing the house organ, trade paper ads, direct mail, etc.?

2. What is the future of insurance advertising? Where is it going and what is it going to do? How are advertising managers going to make the most of their appropriations?

3. Do agents use advertising department facilities more or less during the slow times?

4. What kind of advertising material that you supply agents do you consider the best?

5. Do you supply agents with mats for newspaper advertising? What percentage of agents take advantage of this service? Do you consider it worth while from a company angle?

6. Do you prepare special display material to fulfill requests from agents having booths at fairs, exhibitions, etc.?

7. What are you doing for the agents having window display space?

8. What results are the companies getting that are advertising direct to the public in national publications? What arguments sold these companies on national advertising?

9. Do the present rules for the I. A. C. Trophy provide an equal opportunity for all members of the Conference? Would it not be fairer to the man with a small appropriation to have the contest judged on the best single piece of advertising done during the year?

10. What recommendations has the Fire and Casualty Group to make the Insurance Advertising Conference?

Other topics if time permits.

Kansas Grants Increase

The Kansas department has granted an increase of 9.5 percent in compensation rates, effective at once. Companies had asked for an increase of 14.7 percent and also for a 10 percent emergency increase.

An Optimistic Outlook

So many encouraging reports from our entire territory tend to make us optimistic in predicting results to new representatives. We urge investigation and affiliation with this company that has proven so successful in the field of guaranteeing incomes through Full Coverage, Non-Cancellable Accident and Health policies.

People are quick to see the advantages of this income protection and when properly presented the outstanding features range themselves in forceful, compelling arguments. Representatives find prospects interested on account of our helpful advance service.

We are naturally enthusiastic over the daily records now being made and suggest that you write for further information. Join with this going concern in a campaign for new fall business.



Income Guaranty Company

Capital Stock \$124,100.00 - Surplus to Policy Holders Over \$184,000.00

Legal Reserve Stock Company

Income Building —(Established 1917)— South Bend, Ind.

OUR FEATURES

PROSPECT SERVICE
FULL COVERAGE
NON-CANCELLABLE
MALE and FEMALE RISKS
STARTS FIRST DAY
Life Time Coverage
Old Line Company
Prompt Claim
Payments
Generous Contract
Large Commissions
Liberal Renewals
Substantial Company
Pays on Any Disease
Pays on Any Accident
Pays Special
Indemnities

OUR
TERRITORY
PENNSYLVANIA
CALIFORNIA
MICHIGAN
MISSOURI
INDIANA
ILLINOIS
OHIO

CHANGES IN CASUALTY FIELD

MacKinnon Goes with Zurich

Central West Casualty Man to Chicago
Head Office as Assistant to Accident
Superintendent Edson

R. H. MacKinnon, Detroit, who is well known in accident and health circles in the middle west, will shortly become identified with the head office staff of the Zurich in Chicago as assistant to L. D. Edson, accident superintendent. The expansion of the Zurich's accident and group business has rendered additions to the staff necessary, and Mr. MacKinnon's wide experience in all phases of the business well qualifies him for his new duties. At one time a leading personal producer for the Massachusetts Bonding, he was elevated by that company to agency superintendent, with which he combined field activities, underwriting and special claim work. Subsequently Mr. MacKinnon served for some years as manager of the accident and group departments of the Central West Casualty and Michigan Life, which latter company he leaves to go with the Zurich in pursuance of his desire to widen his field of operations.

Mr. MacKinnon has been active in the work of the Detroit Accident & Health Managers Club and holds the appointment of regional vice-president in the National Association of Accident & Health Managers. He was director of program and events at the Detroit convention of the National association this year, and has recently been appointed a member of the committee to draft advisory policy forms for the Teachers Group Disability Conference.

Mr. MacKinnon has been active in the work of the Detroit Accident & Health Managers Club and holds the appointment of regional vice-president in the National Association of Accident & Health Managers. He was director of program and events at the Detroit convention of the National association this year, and has recently been appointed a member of the committee to draft advisory policy forms for the Teachers Group Disability Conference.

Stuberg to Handle Northwest

The Massachusetts Bonding has appointed A. O. Stuberg manager of its northwest department with headquarters at 711 Hoge building, Seattle. The office will have charge of Washington, Idaho, Montana and Oregon, reporting direct to Boston.

Mr. Stuberg has been manager of the surety department in the Seattle offices of the Firemen's group. For many years he was in charge of the casualty and surety departments of the Elemendorf &

Anthony agency of Spokane prior to which he was attorney and claims adjuster for the Aetna Life.

McMurry on Job Again

P. V. McMurry has joined the Royal Indemnity in Chicago as special representative to travel Illinois under J. E. Murphy, manager of the Chicago office. Temporarily Mr. McMurry will also be responsible for part of Wisconsin and Iowa.

Mr. McMurry has been laid up for about a year due to a spinal injury suffered when diving, but he is now in good health and ready for work again. He gained his experience with the Travelers, in Milwaukee for two years and in northern Illinois for about the same period. His earlier experience was in the banking business.

W. C. Smith Succeeds Bell

P. T. Bell, manager of the fidelity and surety division in the central department of the Union Indemnity at Chicago, has resigned and is going east, where he will announce another connection shortly.

Mr. Bell is succeeded by W. C. Smith, who has been in the contract and miscellaneous bond department at the home office of the Union Indemnity for six years. Mr. Smith graduated from the University of Chicago law school in 1925, and immediately thereafter joined the Union Indemnity. In Chicago he will work under Associate Managers H. N. Douglass and J. M. Hogle.

Appoint Brown & Co.

Willard S. Brown & Co., 83 Maiden Lane, New York City, has been appointed metropolitan general agent for casualty business by the Car & General. Stewart, Hencken & Will are continuing as borough agents. Brown & Co. has conducted a high class fire agency in New York City for many years, representing the Royal Exchange for fire lines for more than a quarter century. The Car & General is the casualty running mate of the Royal Exchange in this country.

Opens New York Office

The Manufacturers Casualty of Philadelphia, which is represented in New York by W. B. Mellor, general agent, has opened a new office at 116 John street, New York City. The company entered New York in 1930 and soon will complete its first year of operation there.

NEWS OF THE COMPANIES

Report on Lloyds Casualty

Total Investment and Underwriting Loss
Set at \$348,752 by New York
Department

Report on examination of Lloyds Casualty, New York, as of March 31, this year, has been filed by the New York department. The report shows admitted assets \$5,533,379; liabilities except capital, \$3,527,224; capital, \$2,000,000; net surplus, \$206,154. The report mentions the recommendation of the director to stockholders that capital be reduced from \$2,000,000 to \$1,000,000 and that \$1,000,000 be transferred to surplus, which later was approved. It is also stated that after March 31 all stock of affiliated companies held by Lloyds Casualty was exchanged for more acceptable assets.

Lloyds Casualty, formerly known as Lloyds Plate Glass, in 1929 amended its

charter to write general casualty and surety lines and actually entered this field May 1, 1929. There was considerable initial expense in organizing and developing the new department and also a drain on surplus through setting up of the various reserves incidental to rapid acquisition of the new classes of business. The work was done under General Manager Daniel Maggin.

Figures Are Given

Earned premiums, the report shows, were \$5,135,492; underwriting income earned, \$5,079,272; losses and expenses incurred, \$3,318,029; total losses and expenses, \$5,183,564, and loss from underwriting, \$104,291.

A gross loss of \$293,160 on sale of securities was noted and net loss \$248,487. Loss from investment was \$244,460, so total loss from operations was \$348,752, which with the \$120,000 dividend to stockholders made total losses to surplus \$468,752. Losses and loss expense incurred were 64.61 percent, commis-

Directory of Leading Local Agents

COLORADO

Standart & Main, Inc.
Colorado, New Mexico & Wyoming
Patterson Bldg. DENVER

NEW JERSEY

Boynton Brothers & Co.
Ernest H. Boynton, President
Fred J. Cox, Vice President & Treas.
Roy C. Everts, Secretary
Insurance, Mortgages and Real Estate
200 Jefferson Street
PERTH AMBOY, NEW JERSEY

FLORIDA

Vanderpool & Company, Inc.
Vanderpool Building
35 S. E. First Avenue
Miami, Florida
We write all lines of insurance including
fire, tornado, liability, surety bonds.
"If its insurance ask Vanderpool"

NEW YORK

CENTRAL FIRE AGENCY, INC.
(Underwriting Agency)
Risks accepted throughout the United
States, Canada, Cuba and Porto Rico
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sions incurred, 15.61 percent; taxes incurred, 1.30 percent; overhead expenses incurred, 19.41 percent; underwriting profit and loss items, 1.09 percent, making a total of 102.02 percent of earned premium. The underwriting loss therefore represented 2.02 percent.

Speeding Up Company Change

Vice-President Maritzen of Union Automobile & Casualty, Los Angeles, Issues Statement

Directors of the Union Automobile & Casualty of Los Angeles, a company which has taken over the business, assets and liabilities of the Union Automobile, are J. G. Johnston, A. S. Holmes, Alexander Hamilton, Barclay Henley, Jr., Thomas F. Baxter, H. H. Scott, L. P. Hobart, J. W. Speyer, W. H. Hood, R. M. Price, W. F. Dressler, J. L. Maritzen, J. S. O'Neill, J. F. Moore and Sterling Carr. John G. Johnston is president. The company will confine its operations, at least for the time being, to California and Oregon, writing accident and health, burglary, plate glass, full coverage automobile, public liability and property damage, P. L. and P. D. other than automobile, owners', landlords' and tenants' manufacturers and elevator contractors' liability contingent and miscellaneous coverage. J. S. O'Neill, vice-president, is in charge of the casualty department.

Although there have been changes in the company's personnel, these will in no way affect the present status or relations of agents or brokers in placing business with the company, J. L. Maritzen, vice-president, says. The present staff's policy is to continue the same underwriting and service principles as in the past. Mr. Maritzen says as soon as the books have been closed a statement will be compiled and a copy sent agents and brokers. He emphasizes that some time is required in completing the task of making the changes necessary in transferring the business and accounts of the old company to the new one but this is being done as quickly as possible. Supplies are being sent and they will be in the agents' hands very soon.

Security Casualty Launched

The Security Casualty of Cincinnati has been incorporated and will make application to the Ohio department of insurance to write business in that state. The incorporators are E. H. Walton, F. P. Glosch, Carl Reichel, K. P. Mooter and A. S. Mooter.

Stock Quotations Ebb

Surety company stocks have been hitting low figures on the Baltimore market. The United States Fidelity & Guaranty struck a new low at 12½, which was 15¢ off the previous day's close. The Maryland Casualty also hit a new low at 13. The New Amsterdam

ACCIDENT AND HEALTH FIELD

Issues Policy for Children

Sterling Casualty of Chicago Brings Out Non-Can Contract Renewable to Age 16

The Sterling Casualty of Chicago has brought out a child's protective accident contract which is non-cancellable and is guaranteed renewable from birth until age 16. The first year rate is \$3 per unit and the rate thereafter \$2.50 annually up to age 16. The policy covers against accident from external violence and accidental means and also against death by disease subject to limitations. The principal sum for death in certain public carrier accidents is \$2,500, for death by wrecking of a private automobile, etc., burning of school building, dwelling house, etc., struck by lightning or as a result of cyclone or tornado and by wrecking of passenger elevator, \$500, and \$250 for death in a wrecked automobile stage or taxicab or in a pedestrian accident.

Principal sum of \$150 will be paid for death in wrecking of an automobile or bus used for transporting school children. Weekly indemnity ranges from \$10 for 100 consecutive weeks for loss of both hands or both feet; \$7.50 a week for 100 weeks for one hand and foot, one foot and eye, one hand and eye or both eyes; \$5 a week for 50 weeks for loss of a leg or an arm and \$5 a week for 25 weeks for loss of a hand, foot or eye.

Loss of life from any accident or disease not otherwise covered, if occurring after age 3, is indemnified for \$50 and same sum is paid if the child sustains a broken arm at or above the wrist or broken leg at or above the ankle. Hospital indemnity is given with a limit of \$50, an emergency benefit of \$100, and

Casualty sold at the lowest point this year, 26½. The Fidelity & Deposit struck a new low at 123¼, but rallied somewhat on declaration of the regular quarterly dividend. Reaction in U. S. F. & G. and Maryland Casualty stock may have resulted from dividend reductions this year.

More Company Figures

The International Reinsurance and the Ocean Accident have filed their semi-annual statements in Georgia:

International Reinsurance—Assets, \$9,907,194; capital, \$1,500,000; surplus, \$2,691,807; reinsurance reserve, not given; premium income, \$3,136,233; losses, \$1,370,703; total income, \$3,485,441; total disbursements, \$2,255,145.

Ocean Accident—Assets, \$17,062,716; deposit, \$800,000; surplus, \$2,753,553; reinsurance reserve, \$5,279,220; premium income, \$5,437,075; losses, \$3,279,173; total income, \$6,043,733; total disbursements, \$6,530,308.

there is 10 percent a year accumulation for five years with a 50 percent limitation.

North American Accident Eastern Conference Meets

By FRANK A. POST

The Eastern Conference of the North American Accident held its annual meeting last week at Inlet, N. H., an Adirondack mountain resort, with about 75 agents in attendance. A. J. Bamann, Rochester, N. Y., president for 1930-31, presided. L. A. McMahon of Baltimore is president for 1931-32. It was announced that there will be no meetings of the divisional conferences in 1932, but that a convention for agents from all parts of the country will be held in Chicago in 1933, with the presidents of the Eastern and Pacific Coast conferences in charge of the two days' sessions.

George Manzelmann, vice-president and agency director, acted as toastmaster at the banquet, at which awards for production records were made to Messrs. McMahon and Bamann.

The work of the various home office departments were explained by Mr. Manzelmann, Secretary A. E. Forrest, Jr., Mrs. M. K. Gordon, head of the claim department; Miss Eleanor Harman, Miss Emma Nelson, Miss E. Kaiser and S. R. Rauwolf. J. L. Dunscomb, San Francisco, brought greetings from the Pacific Coast conference. Mr. McMahon talked on "The Company's Relation to Its Agents"; T. D. Russell of Cleveland on "Don't Fail to Keep Your Goat Tied Up"; E. H. McFarland of Detroit on "Selling Industrial Business in an Industrial City." W. E. Calkins of Rochester gave some of his sales methods and a sales demonstration was staged by D. M. Snyder, Auburn, N. Y., and W. G. Banker, Geneva, N. Y. The business session closed with a round table on "Sales Objections and How I Meet Them."

Cardiff General Agent

William Cardiff has been appointed general agent for the Interstate Business Men's Accident in Indianapolis by J. L. Wikoff, state manager. Mr. Cardiff is an experienced accident and health underwriter, having been engaged in that work for several years in California.

Holds Up New Carrier

C. Petrus Peterson, general counsel, Bankers life of Nebraska, who recently announced the formation by himself and some friends of an insurance company which would offer coverage against hospital bills, to be operated in connection with a new hospital, has decided to proceed no farther for the present. Men-

tion of his proposed company in THE NATIONAL UNDERWRITER brought him a great deal of valuable information from insurance men who had tried out similar ideas, and the net result of his correspondence was the decision to halt action on his proposed company.

Lee Gives Advice on Guest Actions

(CONTINUED FROM PAGE 37)

window dressing to give the jury an unfavorable impression. His evidence on the trial exculpated him but his appearance, plus his daughter's testimony against him, went stronger for the jury who found for the plaintiff. He cooperated in the letter but in spirit and actions he crucified the company."

Mr. Lee mentioned that a number of states have passed laws making the operator of an automobile liable to a guest only in case of wilful and wanton negligence. He said that probably the number of guest actions in those states have been somewhat reduced.

Mr. Lee commented on the contention of some that in the defense of casualty cases, and particularly guest suits, that the defendant's counsel would be wise in directly advising the jury that the defendant was insured. Members of that school feel that by the questioning of the jury in other ways the question of insurance is gotten to the jury indirectly, any way. These counsel feel that the jury would look with better favor upon the defendant's case if it were frankly admitted that he was insured and the argument presented that the insurance had nothing to do with the case and that a verdict unless based upon the evidence is a gross violation of their oath and that such verdicts will inevitably result in a staggering increase in insurance premiums. The fact, according to this theory, that a man carries insurance appears to be some evidence that he does not have a reckless disregard for the rights of others.

Takes Opposite View

"However," Mr. Lee declared, "in spite of the argument for directly advising the jury that the company is insured and in spite of the good results that some lawyers have apparently had with method, I do not believe that the time is yet come, at least in our locality, for directly advising the jury of insurance. I believe that this would be a dangerous practice and might lead to disastrous results and excessive verdicts."

The problem of the insurance lawyer is complicated because of poor investigations, he said. Some times the investigation is made many days after the accident and after the adversary has interviewed all witnesses and corralled them. Too often investigators are overworked and are assigned to too much territory.

The scene of the accident should be visited as soon as possible and whenever possible a photographer should be taken

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Ask for Details

to get pictures of such things as marks on the road, scene of the accidents, cars involved. Some times a diagram made by a competent engineer is of great help.

Insureds should be interviewed promptly and a statement taken. A statement may prove valuable should the insured later decide to change his story and fail to cooperate. He should be warned not to make any admissions or statements to any one but the company's representative.

Get Accident Reports

In states where official copies of accident reports are filed, these should be obtained by the investigator.

Taking a statement is a work of skill, he said. It should be written in clear hand writing on blank, white paper, and there should be no printed matter on the top of the paper setting forth the name of the insurance company. The language of the witness should be used. It should be sworn to before a notary.

Statements taken from an injured person at a hospital or in a sick room should be used sparingly, as they frequently do more harm than good, he declared.

In the preparation of case for trial, Mr. Lee said that a witness should never be sworn until he has been interviewed and a knowledge of what he is going to say is gained. The witness should be advised as to the questions he may expect on cross examination. In presenting testimony, gaining the proof with a good witness and ending the proof with an excellent witness, leaves a good impression, he said. The order of proof should be arranged in advance.

Question of Intoxication

Mr. Lee gave some advice on judicious procedure where there is the question of intoxication of the driver of plaintiff's car. If the defendant has good and sufficient proof conclusively to establish the intoxication of the driver of plaintiff's car, it is advisable to use such proof, he said. However, if the proof is not very strong, then it is dangerous to bring the question of liquor into the case. It is dangerous, he said, because from his experience the jury loses sight of the facts and the question of liquor becomes the main issue in the case. If the jury finds that the plaintiff was not intoxicated, which it usually wants to, it will bring in a verdict for the plaintiff. In addition, it gives the plaintiff's counsel a potent argument with the jury that the defendant in the case not only does not want to pay the plaintiff for his damages, but in addition thereto is trying to ruin his character.

Coast A. & H. Clubs in Joint Meeting

(CONTINUED FROM PAGE 35)

production of desired results experienced. He presented the problem and its solution in detail, referring to the fact that the conference has prepared an A. & H. primer for use in Pennsylvania and Massachusetts and has under preparation similar primers for use in other states, including California.

Expects Normalcy Soon

In the absence of the Seattle delegate, Stephen Chelbay, San Francisco agency Commercial Casualty, pinch-hit with a talk on "The Future of the Accident & Health Business." He stated that conditions point to a return to normalcy and a situation wholly favorable to enjoyment by A. & H. companies of satisfactory and profitable volume. He stressed the need for greater knowledge and efficiency among salesmen.

W. E. Lebby, vice-president Los An-

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geles club and vice-president National Association of Accident & Health Managers, moved that the Pacific Coast clubs appoint an educational committee and engage in an educational campaign for the benefit of agents and brokers, but the chairman suggested that the matter might be handled better by individual clubs, and the motion was tabled.

Cary Groton, junior vice-president Pacific Mutual, discussed "What an Agent Should Know About Coverage and Selection." He gave interesting incidents from his experience, laying emphasis on the importance of close cooperation between companies, general agents and managers in handling details that make for greater efficiency, better service and elimination of faulty methods.

Large Risks Unattractive

In discussing selection of risks, he explained occupational hazards and classifications from the home office viewpoint and said large policies no longer are attractive to most companies, also, that voluntary risks, "peddled" risks, hurry-up cases and cases with unusual features are regarded with suspicion. Consideration of physical hazard was stressed. There is a surprising lack of knowledge of policy provisions on the part of many agents. One of the most promising signs, he said, is the increasing evidence that companies eventually will get together on policy provisions and rates.

M. P. Hawkins moved and a resolution was unanimously adopted submitting the name of Bert Jones of the San Francisco club to President L. D. Edson of the National association, for appointment as western regional vice-president.

Fred Timby, coast general agent Preferred Accident, spoke on "Cash with the Application," relating experiences in handling this detail. He pointed out that shortly after Jan. 1, 1932, all companies will adopt a standardized form of accident policies and it is expected each club then will adopt a plan under which agents will be required to get a cash deposit with each application written. Harry Burford, Continental Casualty, reported that he has an agent, a leader in production, who wrote from 25 to 40 applications every week for ten years and never failed to get all the money with each application.

Mike O'Sullivan, vice-president Sunset Mutual, Los Angeles, spoke briefly on "How to Sell More Accident & Health." He stressed importance of an agent's confidence in his company and service, and also ability to picture to prospects the manner in which benefits will replace loss of income in event of accident disability.

W. E. Smith, California district supervisor of vocational rehabilitation, talked on the subject. I. C. Cunningham, Occidental Life, Los Angeles, discussed "Prospects and How to Create Them." After a brief business session the meeting adjourned. H. F. Coupland, Los Angeles manager Hooper Holmes Bureau, described the service of his company. A stag banquet was held at night.

New Indiana Law Starts

Indiana's new financial responsibility law goes into effect Oct. 1. It requires the secretary of state to obtain evidence showing financial responsibility of any person pleading guilty to, or forfeiting bond, for any violations for which a driver's license may be invoked. These include homicide as a result of operation of a motor vehicle, reckless driving, damage to property, failure to stop after an accident, operation of an automobile while under the influence of liquor.

Failure to convince the secretary of financial responsibility will result in revoking of the driver's license and automobile registration. The same penalties apply to persons against whom judgments of \$100 or more have been obtained as the result of an automobile accident, unless financial responsibility is established.

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W. U. A. Meeting Is Full of Interest

(CONTINUED FROM PAGE 5)

age by W. U. A. members, was taken in the reaffirming of mandatory legislation adopted in April, 1929, by the old Western Union organization, which referred to collateral or allied lines. That resolution specifically stated: "That the payment by a member of excess commission or brokerage, or other valuable consideration beyond the scale of the conference or body recognized as having primary jurisdiction for a class, or classes, not wholly within the Union regulation, yet allied thereto through related fire or tornado coverage, shall be considered as a transgression of the Union commission rule and subject to the same penalties for violation thereof."

Consider Contract Form

The association recorded its appreciation for the painstaking work of the committee on contractual relations with agents, which had devoted much time to the preparation of a form of agency agreement that would be fair to the companies and agents and properly express their relations.

The association adopted a resolution recommending that the draft of the agency agreement submitted be referred back to the committee in the light of the comments and suggestions made at the meeting. It was further urged that members of the association submit further suggestions to the committee, and the committee was requested to ask the Eastern Underwriters Association, Southeastern Underwriters Association, Pacific Board and National Association of Insurance Agents to appoint two persons representing each organization to constitute with the committee on contractual relations with agents, a joint committee to confer and agree upon a standard form of agency agreement.

The understanding is that when a form of agreement is approved by the joint committee, it shall be delivered to the governing committee of the W. U. A. The governing committee was granted power to issue such agreement as mandatory on all members when the approved form is adopted.

Attendance of members was fully up to that of former meetings, probably larger despite the fact that the great majority present had to travel one-third way across the continent. While the great percentage of the western contingent left for Chicago the afternoon of the second day, a number entrained for New York and other eastern centers to visit their head offices.

Few of the committees offered extended reports, the majority contenting themselves either with speaking briefly or stating there was nothing to report. That rule violations were not so frequent or severe as in past was indicated by the lack of reports from either the arbitration or grievance committees.

With respect to loss adjustments, C. R. Street, chairman of the Cook County

committee and of the committee on loss adjustment practices generally, again commended the work of the Cook County Adjustment Bureau, and expressed the hope that similarly efficient organizations might be formed at other centers throughout the country.

In the opinion of the West Virginia supervisory committee the loss experience in the state was such that a general increase in rates would be in order. Probably the most important matters reviewed were those relating to general agencies, commission compensated state agents, and the contractual relations of companies with local representatives.

As to the former the committee said companies were expected to effect separation of the general and local agency interests before the end of this year, where they were shown to be in violation.

Company Funds Tied Up

The need for such a uniform agency contract has been impressed on western managers in recent months notably as a consequence of the failure of numerous banks throughout the territory and the tying up of company funds with personal deposits of agents.

To overcome this merging of trust and personal funds in future the proposed new form of agency appointment will very clearly set forth that premium collections must be held separate and apart from the other accounts of local representatives, and be available to the companies when due.

The time and place of meeting for the annual gathering of the association next spring will be determined by the governing committee.

Looking for Right Head for I. E. A.

(CONTINUED FROM PAGE 5)

insurance companies, and if we find some doing things that are not fair or reasonable we will endeavor to correct such evils. As all of our members are executives, each with authority to act, we believe that the organization will prove efficient and useful."

Milligan Gives Assurance

Assurance that the new organization would not encroach in any way upon the prerogatives of existing fire insurance bodies, was given definitely by Edward Milligan, president Phoenix of Hartford, and a member of the executive committee of the I. E. A., in speaking before the semi-annual meeting of the Western Underwriters Association at Manchester, Vt., and at a gathering of the Eastern Underwriters Association at the same place last Thursday.

This assurance allied a feeling upon the part of certain members of both sectional bodies that the new organization would in some way serve as a check upon their freedom of action, and the guarantee of Mr. Milligan to the contrary was comforting.

Nor is it designed that the Insurance

Executives Association will usurp in any manner the functions of the National Board or any other association body. Rather is it designed to strengthen the operations of all, and to develop a method of uniformity in underwriting practice that should prove highly beneficial to assureds as well as insurers, and at the same time effect economies in the conduct of the business.

Hard to Enforce Rules

While each regional governing organization has its definite rules of procedure and provides penalties for their infraction, it is an open secret that difficulty has frequently been encountered in compelling rule enforcement, and the same holds with respect to the National Automobile Underwriters Association and other allied bodies.

One important function of the I. E. A. will be to correlate activities of the different regional organizations and related associations, so that disturbance in one will not prejudice harmonious relations of any other.

In the minds of some underwriters the outstanding benefit of the new association will be that its membership embraces the chief officials of the great majority of important fire companies and through its activities they will be informed on reputed infractions by their subordinates and be held accountable for correction of the evils, should these prove to exist. The plea of rate or rule violation because of competitive conditions, real or imaginary, will no longer hold; rather will any office, however powerful it may be, convicted of unethical practice, be held to strict accountability.

To Be Given Fair Trial

Though there is no dearth of associations in fire insurance and related fields—the general belief being rather that there is a superabundance of these at present—sentiment favors giving the I. E. A. a fair trial and if it can effect the purposes set forth in its articles of agreement the cost of its operation it is agreed will be money well spent.

While it was anticipated in certain quarters that the new body would begin operations by Nov. 1, it is now felt that longer time is likely to elapse before the right man is secured for president. The committee is determined to spend sufficient time in scanning the field for one who will most nearly possess all the qualifications desired. Though the name of a federal court judge was informally mentioned in such connection at the organization meeting of managers Sept. 11, it was merely to indicate the type of man desired; the understanding being that whoever was finally engaged must come from without the insurance ranks.

May Include Casualty

To the inquiry as to why the word "fire" does not appear in the title of the new association, it was pointed out that the hope is that eventually the scope of the body will be extended to embrace casualty companies as well as fire, since

many, if not the great majority of, fire companies having casualty affiliations, while several important casualty companies own fire subsidiaries. The relationship between the two types of carriers is intimate and field problems are similar, so that uniformity of action or agreement as to general agency practice would be highly beneficial to both.

Livingston Elected Head of Commissioners' Group

(CONTINUED FROM PAGE 5)

8-9. It is expected the next annual meeting will be held at Dallas as Judge Tarver is urging such action. If that be the case, Dallas will be the meeting place with the entertainment at Galveston.

Workmen's Compensation Report

Commissioner Brown of Minnesota, chairman of the compensation committee, stated the members were much in favor of reducing expenses in writing this line. Hence it approved the action of the National Council on Compensation Insurance in getting the cooperation of the Association of Industrial Accident Boards in adopting uniform and standard claim reports.

He announced that the necessary two-thirds vote had been secured in the National Council for the amendments providing where there is a deadlock between the non-participating and participating carriers over loadings, each group shall pursue its own course.

Commissioner Livingston of Michigan in reporting for the fire committee announced that the proposed classification revision be deferred to the December meeting for further consideration. He introduced a motion instructing the committee on blanks, if practical, to include in the annual statement blank: place for premiums by states and to verify these figures in case of a company being examined.

Claim Films Demonstrated Before Casualty Adjusters

The saving of many thousands of dollars in claim payments on public liability and workmen's compensation cases was made possible through movie films which were displayed at the first fall meeting of the Casualty Adjusters Association of Chicago. H. H. Rolfe, claim manager in Chicago for the Globe Indemnity, spoke on the subject and Fred Hurst of the Carling Service, investigators, ran off the pictures. These films showed claimants to be in better physical condition than they represented to companies and the courts in their cases. The pictures were taken without claimants' knowledge. Mr. Rolfe explained how such motion pictures could be established as admissible evidence. R. T. Luce, United States Casualty, president of the Adjusters, presided.

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Jewelers Voice Protests

Ask for Improvements in Jewelers Block Policy and Removal of Restrictions

DETROIT, MICH., Sept. 23.—An exhaustive investigation of all jewelry block, fire, burglary and holdup insurance written in the United States will be undertaken at once by the American National Retail Jewelers' Association with a view to determining upon a standard policy form that will offer jewelers better protection than they now enjoy at a rate commensurate with the protection afforded. A special committee on insurance affairs will soon be appointed by Edwin F. Lilley, of Milford, Mass., president of the association, to conduct this investigation.

May Form Company

Should the jewelers experience difficulty in persuading insurance carriers to make what they consider essential changes in the present policy forms, the advisability of establishing a casualty company owned by jewelers to write this business will be looked into and recommendations will be made to the national officials by the insurance committee.

Speaks at Convention

The insurance action was taken following a fiery address by Percy K. Loud, general manager of Wright, Kay & Company, large Detroit jewelry house, at the 26th annual convention of the association, held in Detroit last week. Mr. Loud has just concluded an examination of the insurance problem as applied to the jewelry business, during which he analyzed every jewelers' casualty policy written in the United States and investigated the conduct of insurance companies as well.

He stated that there should be an immediate investigation of the handling

of insurance companies by those who pay premiums. 71 percent of the solvent fire insurance companies lost money either on their underwriting or their investments or both, he said. He stressed what he called "The Black Cat Hazard"—the filling of policies with many provisions in fine print relating under what circumstances losses will not be paid, many of them apparently being "trick" clauses to aid adjusters in avoiding the payment of claims.

"As evidenced by the experience of many jewelers as to their losses through window smashing, robbery, holdup, theft and sneak thieves and the unsatisfactory refusal of settlements or adjustments to be had with various casualty companies; it is a conceded fact that the average jeweler does not know or understand the technical phrases or readings as contained in his policies on such coverage, nor is he understandingly informed by his insurance agents: Therefore, be it resolved that a permanent insurance committee be appointed to thoroughly analyze present form policies and from their deductions work out a plan that is feasible and fully protective to present to the proper casualty insurance authorities and insurance departments, which will be understandable by and truly beneficial to the retail jeweler.

"Further be it resolved that said committee procure necessary data and information relative to the organizing of a casualty insurance company if deemed advisable; to be controlled and operated along the lines of our mutual fire insurance company, which has been successful for over 17 years."

Wisconsin Banks Lose \$100,000

MILWAUKEE, Sept. 23.—Twenty-nine Wisconsin banks have been robbed of cash and securities totaling more than \$100,000 since Jan. 1, 1931, according to a report made by the Wisconsin Bankers Association.

CASUALTY PERSONALS

W. J. Whitchurch, vice-president California Agencies of Los Angeles, is celebrating his 25th anniversary of association with the Continental Casualty.

Rain prevented staging the annual golf tournament of the Surety Associations of Chicago and Milwaukee at Nippersink Lodge near Genoa City, Wis., and the tournament has been postponed until Sept. 29. About 40 surety men were on hand for the outing. W. H. Hansmann, Fidelity & Deposit, was toastmaster.

L. M. Caldwell, vice-president Fireman's Fund Indemnity, is on a business trip in southern California making a survey of business with special reference to claims service.

The election of Edwin A. Jones of New York City, as president of the International Association of Insurance Counsel, for a fourth term at the annual meeting in Swampscott, was a tribute to his work in behalf of the group. The International Association of Insurance Counsel is a child largely of Mr. Jones' creation. In the four years that he has been president, the association has increased from 35 to 1,035 members.

At the annual meeting, the proposal

to limit membership to 1,000 members went over until next year, inasmuch as the association already has more than that number.

In the death of M. C. Griffith, vice-president of the Fidelity & Casualty, in New York Sept. 21, the company lost an efficient executive and the casualty fraternity one of its foremost claim adjusters. Mr. Griffith was connected with the company for 20 years, successively as claim examiner, assistant manager of the claim department and since 1929 head of the department.

George L. Dickinson, Connecticut General, past president Los Angeles Health & Accident Managers Club, was painfully hurt in a fire in his home.

A number of people who attended the meeting of the National Association of Insurance Agents were greeted by Charles E. Bennett, who is manager of the surety department of Van Norman & Morrison in his city. Mr. Bennett was formerly surety manager for the New Amsterdam Casualty in Chicago.

The United States Fidelity & Guaranty has transferred J. R. Rossman, for two years special agent to the home office contract department.

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Sees Insurance As Forging Ahead

(CONTINUED FROM PAGE 3)

are beginning to recognize that business rests on the fundamental principle of capital invested for profit. They are also now recognizing the wisdom of using their own money in their own businesses by withdrawing the large deposit premiums required by the mutuals, and substituting stock insurance at manual rates. And again these troublous times have taught them the value of systematic agency service.

"From the debit side may be listed the constant threat of adoption of a more widely spread branch office system; the growing number of huge fictitious automobile fleets and employees' groups in defiance of the laws of the state and the rulings of the commissioners; continuance of the non-policy writing agent; unrest in the compensation field in which the companies are losing daily; reductions in rates which impress us as bordering on the margin of safety and the consequent reduction in agency commissions; equity rating; continued overhead writing through the media of such organizations as the Interstate Underwriters Board and other pools and associations of companies, including obviously the Hoover dam contract bond."

Mentions Big Issues

He notes that every recent convention of the National association has closed just when the organization was faced with a tremendous new problem to solve. During the Dallas convention there came the proposal before the National Bureau of Casualty & Surety Underwriters that compensation commission be placed on a graduated scale, retaining present scale for small risks, with downward reduction in proportion to size of risks, so risks above \$20,000 would pay only 2.5 percent commission. A committee of the National association got busy on this and President Goodwin says its work is one of the outstanding accomplishments of the organization for all time. Yet the matter remains unsettled and the committee is still negotiating with the bureau.

President Goodwin counsels that members be "exceedingly patient" with compensation companies in this respect for they have suffered continuous heavy losses and agents if they wish to continue writing this line must do their share toward conserving it. He urges comprehensive safety campaigns and systems of inspection in order to reduce loss ratio.

Notes Banks' Withdrawal

After noting action of the Bank of Italy in retiring from active competition in selling insurance and similar action by the Wisconsin Bank Shares Corporation and First Security Corporation, the latter a large Utah banking chain, he takes up the Hoover dam controversy. He says whether or not all companies finally pay a commission to agents on this bond is yet to be determined, but in any event National association officers "believe that the opening up of the question cannot fail to have been a power for good. They are convinced that it has given the surety companies a new conception of the strength of the National association and the justice of its cause. They believe that in future no such job, governmental or independent, will be bonded without proper commission paid to agents."

Reciprocity in business is another item in his report. He notes that this year has witnessed a crystallization of effort along this line and says its cumulative effect is now being felt. He also takes up rate cutting and cites the ultimatum of Superintendent Van Schaick of New York on rate-cutting and excess commissions which has brought support from commissioners of many other states. "We believe that this undertaking augurs well for the future of the business," Mr. Goodwin says.

He believes it would be difficult to

over-estimate the beneficent effect of the new organization for conference that has been perfected within the last few months, the wonder being that fire executives have delayed in this activity so long.

"It appears to us not unreasonable that this new organization presages the time when no company will be permitted to operate in one territory as the member of the underwriting body and as a free lance in another part of the country," he says. "If this be true, the problems of the agent will be simplified vastly. He may represent companies which operate in unity under established rates and commissions or he may choose the free lance type, with full knowledge that there is no division of loyalty."

Fictitious fleets take a place in his report and he notes retirement of the Export Fire and Export Indemnity from this field, two companies which he says were pioneers in it.

Notes Important Recruits

The year witnessed the alliance with the National association of the state associations of Washington, Oregon and Arizona and launching of the Montana association. The New York City and Brooklyn associations have joined the National organization for the first time. A new local board has been formed at Chicago. The majority of members of the Philadelphia association have become members, all adding immeasurably, he says, to the power and prestige of the National association "through enabling it to speak more nearly with the tongue of the entire agency body."

That the goal in the membership campaign was passed for each of the three years in the five-year development program is a credit to the workers under Chairman Sparlin, President Goodwin says. The depression and the fact that some of the states were canvassed to the utmost for members to meet the 10 percent increase for each of the three years, made the membership drive increasingly more difficult, culminating in failure to show a 10 percent increase in the fourth year. Yet he says the present membership is the largest in history and its quality is of the highest.

Mr. Goodwin also takes up the election of Past-President George D. Markham of St. Louis as a director of the U. S. Chamber of Commerce, formation of the new National Council and the membership responsibility pledge.

Looks Into Future

To the new administration he commends these unsolved problems: Branch officers and non-policy-writing agents, overhead writing through company pools, fictitious fleets and employees' group coverage, farm underwriting, the losing business of compensation and automobile liability, the continuous threats of governmental invasion of private business, cession and recession of reinsurance by organization companies of non-board companies and by stock companies of assessment carriers.

He urges the convention to give support to the special conference committee, recommends that state officers build up membership and conserve present members; and to individual members he makes the plea that they select their companies carefully, without letting the thought of immediate monetary gain of an excess commission or a cut rate blind them to the inevitable consequences of unsound underwriting.

He urges members to classify their companies and reward with premiums and trust only those companies which abide by established rates and commissions and pay their just losses promptly. He recommends the establishment of adequate credit systems within agencies and urges that irresponsible assureds be not carried too long. All these, he says, are ways by which American agents can make stronger the American agency system and silence forever the talk of substitution of the branch office system.

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Organizations Can Improve Service

(CONTINUED FROM PAGE 3)

a given fleet are uniform. Where, therefore, one company in a fleet engages in unethical practices, the underlying motive must be common to all. The position of the National association as to the practices of any one company in a group should, in my opinion, be its position as to all companies in that group."

Mr. Bennett expressed the belief that insurance more and more will become a target for communistic and socialistic agencies, and that the business should be prepared for its "just defence and its honorable vindication." He sees organizations as the only vehicle for this purpose.

No insurance organization can longer remain isolated and indifferent without reaping a harvest of "righteous indignation," he said. Some insurance organizations have been lacking in a proper concept of their public duties, he stated. He noted the indictment against the surety business of "unsound practices, discrimination and excessive costs," and mentioned the investigation of the National Convention of Insurance Commissioners.

"Racketeering in bonding must go," Mr. Bennett said. The business cannot longer support it; surety companies will not justify it. He termed it a curse on the American agency system, a practice indefensible and reprehensible.

He touched on the demand for unemployment relief and for government unemployment insurance, and said insurance organizations could render a splendid public service by launching an educational campaign immediately to show American citizens where such insurance would lead.

Mr. Bennett also mentioned the project included in the National association's five-year program, to form a "National Insurance Council" composed of representatives of all insurance organizations, with the object of conducting a public service program of equal benefit to insurance and insuring public. He said the proposal holds possibilities for good of great magnitude.

P. L. Limits in Mexico Same as Value of Car

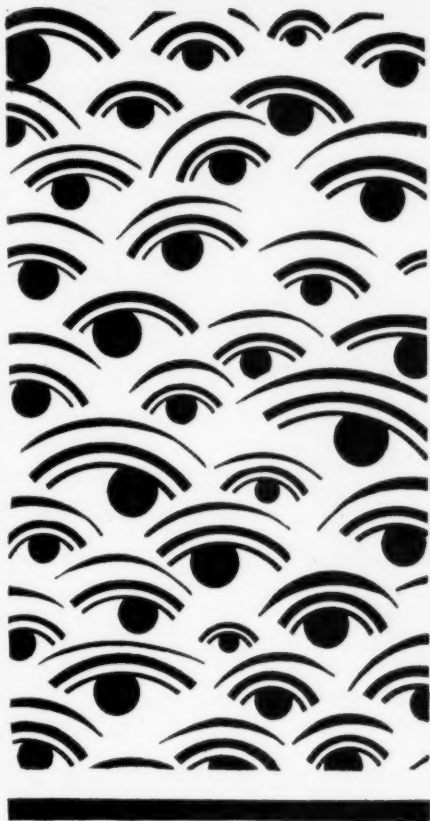
The G. B. Woodward agency of Bloomington, Ind., recently discovered some interesting insurance differences between Mexico and the United States in negotiating for coverage for the automobile of A. C. Kinsey of the Indiana University biology department, who is leaving for a five months research expedition into Mexico.

The Woodward agency effected a policy in the Union de Seguros for Professor Kinsey. The policy is printed in Spanish. In addition to covering against fire, theft, and collision there is coverage for war, civil commotion and riot.

The limits of liability for personal injury and property damage, as recommended by R. B. E. Turnbull, manager Mexican-American Corporation of Mexico City, are no greater than the value of the car. Mr. Turnbull explains that in Mexico limits are rarely written above that amount, as no claim even for death, has ever been known to exceed that amount.

New Business Opportunity

LANSING, MICH., Sept. 23.—Additional casualty business is to be provided through new rules of the public utilities commission. Both common and contract carriers must furnish public liability coverage protecting other users of the highways. The new coverage ordered is \$30,000 property damage, \$10,000 single cases liability, and \$20,000 total personal liability. Certificates of coverage must be filed by Sept. 28.



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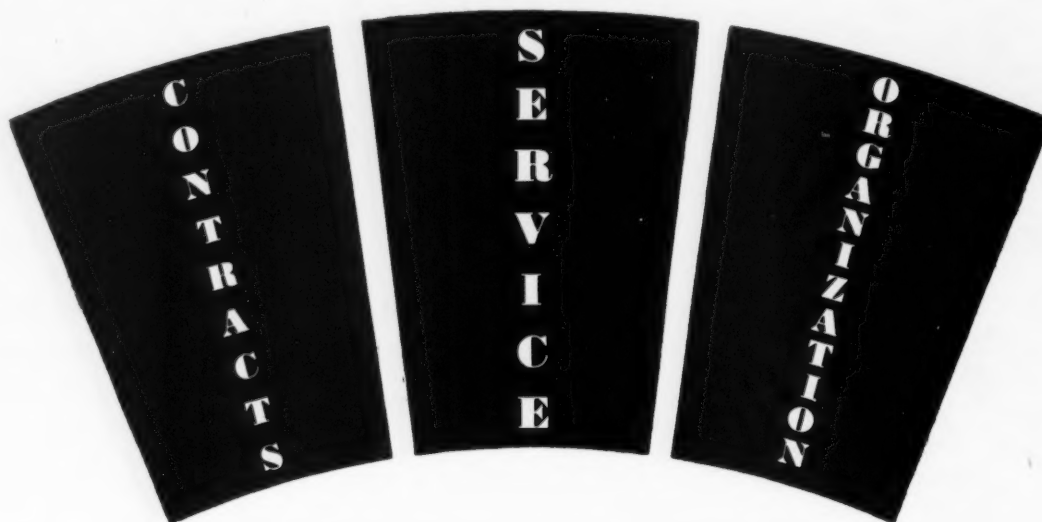
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(Fire 3)

Twelve Pictures

TO the right is the new 1932 insurance calendar. It has a twelve sheet brown rotogravure pad mounted on a red colored heavy board back (18½x9 inches in size.) There are twelve different pictures—one for each month. Under each picture is a short, right-to-the-point timely sales argument. Your name is printed at the top of the back where it strikes all eyes. The numerals on the pad are large and visible at a distance.





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